

Union Calendar No. 210

117TH CONGRESS
2D SESSION

H. R. 2954

[Report No. 117–283, Part I]

To increase retirement savings, simplify and clarify retirement plan rules,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 4, 2021

Mr. NEAL (for himself and Mr. BRADY) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Financial Services, and Education and Labor, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

MARCH 29, 2022

Additional sponsors: Mr. DOGGETT, Mr. THOMPSON of California, Mr. LARSON of Connecticut, Mr. BLUMENAUER, Mr. KIND, Mr. PASCRELL, Mr. DANNY K. DAVIS of Illinois, Ms. SÁNCHEZ, Mr. HIGGINS of New York, Ms. SEWELL, Ms. DELBENE, Ms. CHU, Ms. MOORE of Wisconsin, Mr. KILDEE, Mr. BRENDAN F. BOYLE of Pennsylvania, Mr. EVANS, Mr. SCHNEIDER, Mr. SUOZZI, Mr. PANETTA, Mrs. MURPHY of Florida, Mr. NUNES, Mr. BUCHANAN, Mr. SMITH of Nebraska, Mr. REED, Mr. KELLY of Pennsylvania, Mr. SMITH of Missouri, Mr. RICE of South Carolina, Mr. SCHWEIKERT, Mrs. WALORSKI, Mr. LAHOOD, Mr. WENSTRUP, Mr. ARRINGTON, Mr. FERGUSON, Mr. ESTES, Mr. HERN, Mr. SMUCKER, Mrs. MILLER of West Virginia, Mrs. WAGNER, Mr. COLE, Mr. KUSTOFF, Mr. BEYER, Mr. GOMEZ, Mr. HORSFORD, Ms. PLASKETT, Ms. MANNING, Mr. PERLMUTTER, Mr. NEGUSE, Ms. ROSS, Mr. HARDER of California, Mr. COOPER, Ms. NEWMAN, Mr. LATURNER, Ms. KUSTER, Mrs. LESKO, Mr. PRICE of North Carolina, Mr. FITZGERALD, Mr. AMODEI, Mr. PAPPAS, Mr. SABLAN, Mr. LAWSON of Florida, Mr. O'HALLERAN, Mr. RUPPERSBERGER, Mrs. LURIA, Mr. MANN, Mr. CASE, Mrs. HINSON, Mr. MEUSER, Mr. VALADAO, Mr. EMMER, Mr. YOUNG, Mr. KELLER, Mrs. TRAHAN, Mr. RESCHENTHALER, Mrs. AXNE, Mr. SEAN PATRICK MALONEY of New York, Mr. MFUME, Mr. OWENS, Mr. ROGERS of Alabama,

Mr. MOORE of Utah, Mr. ROSE, Ms. HERRERA BEUTLER, Mr. FEENSTRA, Mr. CHABOT, Mr. ELLZEY, Ms. SALAZAR, Mr. KRISHNAMOORTHY, Mr. LANGEVIN, Mr. DAVID SCOTT of Georgia, Mr. CICILLINE, Ms. SCHRIER, Mr. CARL, Mr. MURPHY of North Carolina, Ms. CLARK of Massachusetts, Mr. MOORE of Alabama, Ms. TITUS, Mr. LUCAS, Ms. VAN DUYNNE, Ms. CRAIG, Ms. ADAMS, Mr. COURTNEY, Mr. HILL, and Ms. WILLIAMS of Georgia

MARCH 29, 2022

Reported from the Committee on Ways and Means with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

MARCH 29, 2022

Committees on Financial Services and Education and Labor discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on May 4, 2021]

A BILL

To increase retirement savings, simplify and clarify retirement plan rules, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) *SHORT TITLE.*—*This Act may be cited as the “Se-*
 5 *curing a Strong Retirement Act of 2021”.*

6 (b) *TABLE OF CONTENTS.*—*The table of contents for*
 7 *this Act is as follows:*

Sec. 1. Short title; table of contents.

TITLE I—EXPANDING COVERAGE AND INCREASING RETIREMENT SAVINGS

Sec. 101. Expanding automatic enrollment in retirement plans.

Sec. 102. Modification of credit for small employer pension plan startup costs.

Sec. 103. Promotion of Saver’s Credit.

Sec. 104. Enhancement of 403(b) plans.

Sec. 105. Increase in age for required beginning date for mandatory distributions.

Sec. 106. Indexing IRA catch-up limit.

Sec. 107. Higher catch-up limit to apply at age 62, 63, and 64.

Sec. 108. Multiple employer 403(b) plans.

Sec. 109. Treatment of student loan payments as elective deferrals for purposes of matching contributions.

Sec. 110. Application of credit for small employer pension plan startup costs to employers which join an existing plan.

Sec. 111. Military spouse retirement plan eligibility credit for small employers.

Sec. 112. Small immediate financial incentives for contributing to a plan.

Sec. 113. Safe harbor for corrections of employee elective deferral failures.

Sec. 114. One-year reduction in period of service requirement for long-term, part-time workers.

Sec. 115. Findings relating to S corporation ESOPs.

TITLE II—PRESERVATION OF INCOME

Sec. 201. Remove required minimum distribution barriers for life annuities.

Sec. 202. Qualifying longevity annuity contracts.

Sec. 203. Insurance-dedicated exchange-traded funds.

TITLE III—SIMPLIFICATION AND CLARIFICATION OF RETIREMENT PLAN RULES

Sec. 301. Recovery of retirement plan overpayments.

Sec. 302. Reduction in excise tax on certain accumulations in qualified retirement plans.

Sec. 303. Performance benchmarks for asset allocation funds.

Sec. 304. Review and report to the Congress relating to reporting and disclosure requirements.

Sec. 305. Eliminating unnecessary plan requirements related to unenrolled participants.

- Sec. 306. Retirement savings lost and found.*
- Sec. 307. Expansion of Employee Plans Compliance Resolution System.*
- Sec. 308. Eliminate the “first day of the month” requirement for governmental section 457(b) plans.*
- Sec. 309. One-time election for qualified charitable distribution to split-interest entity; increase in qualified charitable distribution limitation.*
- Sec. 310. Distributions to firefighters.*
- Sec. 311. Exclusion of certain disability-related first responder retirement payments.*
- Sec. 312. Individual retirement plan statute of limitations for excise tax on excess contributions and certain accumulations.*
- Sec. 313. Requirement to provide paper statements in certain cases.*
- Sec. 314. Separate application of top heavy rules to defined contribution plans covering excludible employees.*
- Sec. 315. Repayment of qualified birth or adoption distribution limited to 3 years.*
- Sec. 316. Employer may rely on employee certifying that deemed hardship distribution conditions are met.*
- Sec. 317. Penalty-free withdrawals from retirement plans for individuals in case of domestic abuse.*
- Sec. 318. Reform of family attribution rule.*
- Sec. 319. Amendments to increase benefit accruals under plan for previous plan year allowed until employer tax return due date.*
- Sec. 320. Retroactive first year elective deferrals for sole proprietors.*
- Sec. 321. Limiting cessation of IRA treatment to portion of account involved in a prohibited transaction.*

TITLE IV—TECHNICAL AMENDMENTS

- Sec. 401. Amendments relating to Setting Every Community Up for Retirement Enhancement Act of 2019.*

TITLE V—ADMINISTRATIVE PROVISIONS

- Sec. 501. Provisions relating to plan amendments.*

TITLE VI—REVENUE PROVISIONS

- Sec. 601. Simple and SEP Roth IRAs.*
- Sec. 602. Hardship withdrawal rules for 403(b) plans.*
- Sec. 603. Elective deferrals generally limited to regular contribution limit.*
- Sec. 604. Optional treatment of employer matching contributions as Roth contributions.*

1 **TITLE I—EXPANDING COVERAGE**
2 **AND INCREASING RETIRE-**
3 **MENT SAVINGS**

4 **SEC. 101. EXPANDING AUTOMATIC ENROLLMENT IN RE-**
5 **TIREMENT PLANS.**

6 (a) *IN GENERAL.*—Subpart B of part I of subchapter
7 D of chapter 1 of the Internal Revenue Code of 1986 is
8 amended by inserting after section 414 the following new
9 section:

10 **“SEC. 414A. REQUIREMENTS RELATED TO AUTOMATIC EN-**
11 **ROLLMENT.**

12 “(a) *IN GENERAL.*—Except as otherwise provided in
13 this section—

14 “(1) an arrangement shall not be treated as a
15 qualified cash or deferred arrangement described in
16 section 401(k) unless such arrangement meets the
17 automatic enrollment requirements of subsection (b),
18 and

19 “(2) an annuity contract otherwise described in
20 section 403(b)(1) which is purchased under a salary
21 reduction agreement shall not be treated as described
22 in such section unless such agreement meets the auto-
23 matic enrollment requirements of subsection (b).

24 “(b) *AUTOMATIC ENROLLMENT REQUIREMENTS.*—

1 “(1) *IN GENERAL.*—An arrangement or agree-
2 ment meets the requirements of this subsection if such
3 arrangement or agreement is an eligible automatic
4 contribution arrangement (as defined in section
5 414(w)(3)) which meets the requirements of para-
6 graphs (2) through (4).

7 “(2) *ALLOWANCE OF PERMISSIBLE WITH-*
8 *DRAWALS.*—An eligible automatic contribution ar-
9 rangement meets the requirements of this paragraph
10 if such arrangement allows employees to make per-
11 missible withdrawals (as defined in section
12 414(w)(2)).

13 “(3) *MINIMUM CONTRIBUTION PERCENTAGE.*—

14 “(A) *IN GENERAL.*—An eligible automatic
15 contribution arrangement meets the requirements
16 of this paragraph if—

17 “(i) the uniform percentage of com-
18 pensation contributed by the participant
19 under such arrangement during the first
20 year of participation is not less than 3 per-
21 cent and not more than 10 percent (unless
22 the participant specifically elects not to
23 have such contributions made or to have
24 such contributions made at a different per-
25 centage), and

1 “(ii) effective for the first day of each
2 plan year starting after each completed
3 year of participation under such arrange-
4 ment such uniform percentage is increased
5 by 1 percentage point (to at least 10 per-
6 cent, but not more than 15 percent) unless
7 the participant specifically elects not to
8 have such contributions made or to have
9 such contributions made at a different per-
10 centage.

11 “(B) INITIAL REDUCED CEILING FOR CER-
12 TAIN PLANS.—In the case of any arrangement to
13 which this section applies (other than an ar-
14 rangement that meets the requirements of para-
15 graph (12) or (13) of section 401(k)), for plan
16 years ending before January 1, 2025, subpara-
17 graph (A)(ii) shall be applied by substituting ‘10
18 percent’ for ‘15 percent’.

19 “(4) INVESTMENT REQUIREMENTS.—An eligible
20 automatic contribution arrangement meets the re-
21 quirements of this paragraph if amounts contributed
22 pursuant to such arrangement, and for which no in-
23 vestment is elected by the participant, are invested
24 consistent with the requirements of section 2550.404c-

1 *5 of title 29, Code of Federal Regulations (or any suc-*
2 *cessor regulations).*

3 *“(c) EXCEPTIONS.—For purposes of this section—*

4 *“(1) SIMPLE PLANS.—Subsection (a) shall not*
5 *apply to any simple plan (within the meaning of sec-*
6 *tion 401(k)(11)).*

7 *“(2) EXCEPTION FOR PLANS OR ARRANGEMENTS*
8 *ESTABLISHED BEFORE ENACTMENT OF SECTION.—*

9 *“(A) IN GENERAL.—Subsection (a) shall not*
10 *apply to—*

11 *“(i) any qualified cash or deferred ar-*
12 *rangement established before the date of the*
13 *enactment of this section, or*

14 *“(ii) any annuity contract purchased*
15 *under a plan established before the date of*
16 *the enactment of this section.*

17 *“(B) POST-ENACTMENT ADOPTION OF MUL-*
18 *TIPLE EMPLOYER PLAN.—Subparagraph (A)*
19 *shall not apply in the case of an employer adopt-*
20 *ing after such date of enactment a plan main-*
21 *tained by more than one employer, and sub-*
22 *section (a) shall apply with respect to such em-*
23 *ployer as if such plan were a single plan.*

24 *“(3) EXCEPTION FOR GOVERNMENTAL AND*
25 *CHURCH PLANS.—Subsection (a) shall not apply to*

1 *any governmental plan (within the meaning of sec-*
2 *tion 414(d)) or any church plan (within the meaning*
3 *of section 414(e)).*

4 “(4) *EXCEPTION FOR NEW AND SMALL BUSI-*
5 *NESSES.—*

6 “(A) *NEW BUSINESS.—*Subsection (a) shall
7 *not apply to any qualified cash or deferred ar-*
8 *rangement, or any annuity contract purchased*
9 *under a plan, while the employer maintaining*
10 *such plan (and any predecessor employer) has*
11 *been in existence for less than 3 years.*

12 “(B) *SMALL BUSINESSES.—*Subsection (a)
13 *shall not apply to any qualified cash or deferred*
14 *arrangement, any annuity contract purchased*
15 *under a plan, earlier than the date that is 1*
16 *year after the close of the first taxable year with*
17 *respect to which the employer maintaining the*
18 *plan normally employed more than 10 employ-*
19 *ees.*

20 “(C) *TREATMENT OF MULTIPLE EMPLOYER*
21 *PLANS.—*In the case of a plan maintained by
22 *more than 1 employer, subparagraphs (A) and*
23 *(B) shall be applied separately with respect to*
24 *each such employer, and all such employers to*
25 *which subsection (a) applies (after the applica-*

1 tion of this paragraph) shall be treated as main-
2 taining a separate plan for purposes of this sec-
3 tion.”.

4 (b) *CLERICAL AMENDMENT.*—The table of sections for
5 subpart B of part I of subchapter D of chapter 1 of the
6 Internal Revenue Code of 1986 is amended by inserting
7 after the item relating to section 414 the following new item:
8 “Sec. 414A. Requirements related to automatic enrollment.”.

9 (c) *EFFECTIVE DATE.*—The amendments made by this
10 section shall apply to plan years beginning after December
11 31, 2022.

12 **SEC. 102. MODIFICATION OF CREDIT FOR SMALL EMPLOYER**
13 **PENSION PLAN STARTUP COSTS.**

14 (a) *INCREASE IN CREDIT PERCENTAGE FOR SMALLER*
15 *EMPLOYERS.*—Section 45E(e) of the Internal Revenue Code
16 of 1986 is amended by adding at the end the following new
17 paragraph:

18 “(4) *INCREASED CREDIT FOR CERTAIN SMALL*
19 *EMPLOYERS.*—In the case of an employer which
20 would be an eligible employer under subsection (c) if
21 section 408(p)(2)(C)(i) was applied by substituting
22 ‘50 employees’ for ‘100 employees’, subsection (a) shall
23 be applied by substituting ‘100 percent’ for ‘50 per-
24 cent’.”.

25 (b) *ADDITIONAL CREDIT FOR EMPLOYER CONTRIBU-*
26 *TIONS BY CERTAIN SMALL EMPLOYERS.*—Section 45E of

1 *such Code, as amended by subsection (a), is amended by*
2 *adding at the end the following new subsection:*

3 “(f) *ADDITIONAL CREDIT FOR EMPLOYER CONTRIBU-*
4 *TIONS BY CERTAIN ELIGIBLE EMPLOYERS.—*

5 “(1) *IN GENERAL.—In the case of an eligible em-*
6 *ployer, the credit allowed for the taxable year under*
7 *subsection (a) (determined without regard to this sub-*
8 *section) shall be increased by an amount equal to the*
9 *applicable percentage of employer contributions (other*
10 *than any elective deferrals (as defined in section*
11 *402(g)(3)) by the employer to an eligible employer*
12 *plan (other than a defined benefit plan (as defined in*
13 *section 414(j))).*

14 “(2) *LIMITATIONS.—*

15 “(A) *DOLLAR LIMITATION.—The amount*
16 *determined under paragraph (1) (before the ap-*
17 *plication of subparagraph (B)) with respect to*
18 *any employee of the employer shall not exceed*
19 *\$1,000.*

20 “(B) *CREDIT PHASE-IN.—In the case of any*
21 *eligible employer which had for the preceding*
22 *taxable year more than 50 employees, the*
23 *amount determined under paragraph (1) (with-*
24 *out regard to this subparagraph) shall be reduced*
25 *by an amount equal to the product of—*

1 “(i) the amount otherwise so deter-
 2 mined under paragraph (1), multiplied by
 3 “(ii) a percentage equal to 2 percent-
 4 age points for each employee of the employer
 5 for the preceding taxable year in excess of
 6 50 employees.

7 “(3) *APPLICABLE PERCENTAGE.*—For purposes
 8 of this section, the applicable percentage for the tax-
 9 able year during which the eligible employer plan is
 10 established with respect to the eligible employer shall
 11 be 100 percent, and for taxable years thereafter shall
 12 be determined under the following table:

“In the case of the following taxable year beginning after the taxable year during which plan is established with respect to the eligible employer: The applicable percentage shall be:

| | |
|-----------------------------------|------|
| 1st | 100% |
| 2nd | 75% |
| 3rd | 50% |
| 4th | 25% |
| Any taxable year thereafter | 0% |

13 “(4) *DETERMINATION OF ELIGIBLE EMPLOYER;*
 14 *NUMBER OF EMPLOYEES.*—For purposes of this sub-
 15 section, whether an employer is an eligible employer
 16 and the number of employees of an employer shall be
 17 determined under the rules of subsection (c), except
 18 that paragraph (2) thereof shall only apply to the
 19 taxable year during which the eligible employer plan

1 to which this section applies is established with re-
2 spect to the eligible employer.”.

3 (c) *DISALLOWANCE OF DEDUCTION.*—Section
4 45E(e)(2) of such Code is amended to read as follows:

5 “(2) *DISALLOWANCE OF DEDUCTION.*—No deduc-
6 tion shall be allowed—

7 “(A) for that portion of the qualified start-
8 up costs paid or incurred for the taxable year
9 which is equal to so much of the portion of the
10 credit determined under subsection (a) as is
11 properly allocable to such costs, and

12 “(B) for that portion of the employer con-
13 tributions by the employer for the taxable year
14 which is equal to so much of the credit increase
15 determined under subsection (f) as is properly
16 allocable to such contributions.”.

17 (d) *EFFECTIVE DATE.*—The amendments made by this
18 section shall apply to taxable years beginning after Decem-
19 ber 31, 2021.

20 **SEC. 103. PROMOTION OF SAVER’S CREDIT.**

21 (a) *IN GENERAL.*—The Secretary of the Treasury shall
22 take such steps as the Secretary determines are necessary
23 and appropriate to increase public awareness of the credit
24 provided under section 25B of the Internal Revenue Code
25 of 1986.

1 **(b) REPORT TO CONGRESS.**—

2 **(1) IN GENERAL.**—*Not later than 90 days after*
3 *the date of the enactment of this Act, the Secretary*
4 *shall provide a report to Congress to summarize the*
5 *anticipated promotion efforts of the Treasury under*
6 *subsection (a).*

7 **(2) CONTENTS.**—*Such report shall include—*

8 **(A) a description of plans for—**

9 **(i) the development and distribution of**
10 *digital and print materials, including the*
11 *distribution of such materials to States for*
12 *participants in State facilitated retirement*
13 *savings programs, and*

14 **(ii) the translation of such materials**
15 *into the 10 most commonly spoken lan-*
16 *guages in the United States after English*
17 *(as determined by reference to the most re-*
18 *cent American Community Survey of the*
19 *Bureau of the Census), and*

20 **(B) such other information as the Secretary**
21 *determines is necessary*

22 **SEC. 104. ENHANCEMENT OF 403(b) PLANS.**

23 **(a) IN GENERAL.**—

24 **(1) PERMITTED INVESTMENTS.**—*Section*
25 *403(b)(7)(A) of the Internal Revenue Code of 1986 is*

1 *amended by striking “if the amounts are to be in-*
2 *vested in regulated investment company stock to be*
3 *held in that custodial account” and inserting “if the*
4 *amounts are to be held in that custodial account and*
5 *invested in regulated investment company stock or a*
6 *group trust intended to satisfy the requirements of In-*
7 *ternal Revenue Service Revenue Ruling 81–100 (or*
8 *any successor guidance)”.*

9 (2) *CONFORMING AMENDMENT.*—*The heading of*
10 *paragraph (7) of section 403(b) of such Code is*
11 *amended by striking “FOR REGULATED INVESTMENT*
12 *COMPANY STOCK”.*

13 (3) *EFFECTIVE DATE.*—*The amendments made*
14 *by this subsection shall apply to amounts invested*
15 *after December 31, 2021.*

16 (b) *AMENDMENTS TO THE INVESTMENT COMPANY ACT*
17 *OF 1940.*—*Section 3(c)(11) of the Investment Company Act*
18 *of 1940 (15 U.S.C. 80a–3(c)(11)) is amended to read as*
19 *follows:*

20 “(11) *Any—*

21 *“(A) employee’s stock bonus, pension, or*
22 *profit-sharing trust which meets the require-*
23 *ments for qualification under section 401 of the*
24 *Internal Revenue Code of 1986;*

1 “(B) custodial account meeting the require-
2 ments of section 403(b)(7) of such Code;

3 “(C) governmental plan described in section
4 3(a)(2)(C) of the Securities Act of 1933;

5 “(D) collective trust fund maintained by a
6 bank consisting solely of assets of one or more—

7 “(i) trusts described in subparagraph
8 (A);

9 “(ii) government plans described in
10 subparagraph (C);

11 “(iii) church plans, companies, or ac-
12 counts that are excluded from the definition
13 of an investment company under paragraph
14 (14) of this subsection; or

15 “(iv) plans which meet the require-
16 ments of section 403(b) of the Internal Rev-
17 enue Code of 1986 if—

18 “(I) such plan is subject to title I
19 of the Employee Retirement Income
20 Security Act of 1974 (29 U.S.C. 1001
21 et seq.);

22 “(II) any employer making such
23 plan available agrees to serve as a fi-
24 diciary for the plan with respect to the
25 selection of the plan’s investments

1 *among which participants can choose;*

2 *or*

3 *“(III) such plan is a govern-*
4 *mental plan (as defined in section*
5 *414(d) of such Code); or*

6 *“(E) separate account the assets of which*
7 *are derived solely from—*

8 *“(i) contributions under pension or*
9 *profit-sharing plans which meet the require-*
10 *ments of section 401 of the Internal Revenue*
11 *Code of 1986 or the requirements for deduc-*
12 *tion of the employer’s contribution under*
13 *section 404(a)(2) of such Code;*

14 *“(ii) contributions under governmental*
15 *plans in connection with which interests,*
16 *participations, or securities are exempted*
17 *from the registration provisions of section 5*
18 *of the Securities Act of 1933 by section*
19 *3(a)(2)(C) of such Act;*

20 *“(iii) advances made by an insurance*
21 *company in connection with the operation*
22 *of such separate account; and*

23 *“(iv) contributions to a plan described*
24 *in subparagraph (D)(iv).”.*

1 (c) *AMENDMENTS TO THE SECURITIES ACT OF 1933.*—
2 *Section 3(a)(2) of the Securities Act of 1933 (15 U.S.C.*
3 *77c(a)(2)) is amended—*

4 (1) *by striking “or (D)” and inserting “(D) a*
5 *plan which meets the requirements of section 403(b)*
6 *of such Code if (i) such plan is subject to title I of*
7 *the Employee Retirement Income Security Act of*
8 *1974 (29 U.S.C. 1001 et seq.), (ii) any employer mak-*
9 *ing such plan available agrees to serve as a fiduciary*
10 *for the plan with respect to the selection of the plan’s*
11 *investments among which participants can choose, or*
12 *(iii) such plan is a governmental plan (as defined in*
13 *section 414(d) of such Code); or (E)”;*

14 (2) *by striking “(C), or (D)” and inserting “(C),*
15 *(D), or (E)”;* and

16 (3) *by striking “(iii) which is a plan funded”*
17 *and inserting “(iii) in the case of a plan not de-*
18 *scribed in subparagraph (D), which is a plan fund-*
19 *ed”.*

20 (d) *AMENDMENTS TO THE SECURITIES EXCHANGE*
21 *ACT OF 1934.*—*Section 3(a)(12)(C) of the Securities Ex-*
22 *change Act of 1934 (15 U.S.C. 78c(a)(12)(C)) is amended—*

23 (1) *by striking “or (iv)” and inserting “(iv) a*
24 *plan which meets the requirements of section 403(b)*
25 *of such Code if (I) such plan is subject to title I of*

1 *the Employee Retirement Income Security Act of*
 2 *1974 (29 U.S.C. 1001 et seq.), (II) any employer*
 3 *making such plan available agrees to serve as a fidu-*
 4 *ciary for the plan with respect to the selection of the*
 5 *plan’s investments among which participants can*
 6 *choose, or (III) such plan is a governmental plan (as*
 7 *defined in section 414(d) of such Code), or (v)”;*

8 (2) *by striking “(ii), or (iii)” and inserting*
 9 *“(ii), (iii), or (iv)”;* and

10 (3) *by striking “(II) is a plan funded” and in-*
 11 *serting “(II) in the case of a plan not described in*
 12 *clause (iv), is a plan funded”.*

13 **SEC. 105. INCREASE IN AGE FOR REQUIRED BEGINNING**
 14 **DATE FOR MANDATORY DISTRIBUTIONS.**

15 (a) *IN GENERAL.*—Section 401(a)(9)(C)(i)(I) of the
 16 *Internal Revenue Code of 1986 is amended by striking “age*
 17 *72” and inserting “the applicable age”.*

18 (b) *SPOUSE BENEFICIARIES; SPECIAL RULE FOR*
 19 *OWNERS.*—Subparagraphs (B)(iv)(I) and (C)(ii)(I) of sec-
 20 *tion 401(a)(9) of such Code are each amended by striking*
 21 *“age 72” and inserting “the applicable age”.*

22 (c) *APPLICABLE AGE.*—Section 401(a)(9)(C) of such
 23 *Code is amended by adding at the end the following new*
 24 *clause:*

25 “(v) *APPLICABLE AGE.*—

1 “(I) *In the case of an individual*
2 *who attains age 72 after December 31,*
3 *2021, and age 73 before January 1,*
4 *2029, the applicable age is 73.*

5 “(II) *In the case of an individual*
6 *who attains age 73 after December 31,*
7 *2028, and age 74 before January 1,*
8 *2032, the applicable age is 74.*

9 “(III) *In the case of an individual*
10 *who attains age 74 after December 31,*
11 *2031, the applicable age is 75.”.*

12 (d) *CONFORMING AMENDMENTS.—The last sentence of*
13 *section 408(b) of such Code is amended by striking “age*
14 *72” and inserting “the applicable age (determined under*
15 *section 401(a)(9)(C)(v) for the calendar year in which such*
16 *taxable year begins)”.*

17 (e) *EFFECTIVE DATE.—The amendments made by this*
18 *section shall apply to distributions required to be made*
19 *after December 31, 2021, with respect to individuals who*
20 *attain age 72 after such date.*

21 **SEC. 106. INDEXING IRA CATCH-UP LIMIT.**

22 (a) *IN GENERAL.—Subparagraph (C) of section*
23 *219(b)(5) of the Internal Revenue Code of 1986 is amended*
24 *by adding at the end the following new clause:*

1 “(iii) *INDEXING OF CATCH-UP LIMITA-*
2 *TION.—In the case of any taxable year be-*
3 *ginning in a calendar year after 2022, the*
4 *\$1,000 amount under subparagraph (B)(ii)*
5 *shall be increased by an amount equal to—*

6 “(I) *such dollar amount, multi-*
7 *plied by*

8 “(II) *the cost-of-living adjustment*
9 *determined under section 1(f)(3) for*
10 *the calendar year in which the taxable*
11 *year begins, determined by substituting*
12 *‘calendar year 2021’ for ‘calendar year*
13 *2016’ in subparagraph (A)(ii) thereof.*
14 *If any amount after adjustment under the*
15 *preceding sentence is not a multiple of*
16 *\$100, such amount shall be rounded to the*
17 *next lower multiple of \$100.”.*

18 (b) *EFFECTIVE DATE.—The amendments made by this*
19 *section shall apply to taxable years beginning after Decem-*
20 *ber 31, 2022.*

21 **SEC. 107. HIGHER CATCH-UP LIMIT TO APPLY AT AGE 62, 63,**
22 **AND 64.**

23 (a) *IN GENERAL.—*

24 (1) *PLANS OTHER THAN SIMPLE PLANS.—Sec-*
25 *tion 414(v)(2)(B)(i) of the Internal Revenue Code of*

1 1986 is amended by inserting the following before the
2 period: “(\$10,000, in the case of an eligible partici-
3 pant who has attained age 62, but not age 65, before
4 the close of the taxable year)”.

5 (2) *SIMPLE PLANS*.—Section 414(v)(2)(B)(i) of
6 such Code is amended by inserting the following be-
7 fore the period: “(\$5,000, in the case of an eligible
8 participant who has attained age 62, but not age 65,
9 before the close of the taxable year)”.

10 (b) *COST-OF-LIVING ADJUSTMENTS*.—Subparagraph
11 (C) of section 414(v)(2) of such Code is amended by adding
12 at the end the following: “In the case of a year beginning
13 after December 31, 2022, the Secretary shall adjust annu-
14 ally the \$10,000 amount in subparagraph (B)(i) and the
15 \$5,000 amount in subparagraph (B)(ii) for increases in the
16 cost-of-living at the same time and in the same manner as
17 adjustments under the preceding sentence; except that the
18 base period taken into account shall be the calendar quarter
19 beginning July 1, 2021.”.

20 (c) *EFFECTIVE DATE*.—The amendments made by this
21 section shall apply to taxable years beginning after Decem-
22 ber 31, 2022.

1 **SEC. 108. MULTIPLE EMPLOYER 403(b) PLANS.**

2 (a) *IN GENERAL.*—Section 403(b) of the Internal Rev-
3 enue Code of 1986 is amended by adding at the end the
4 following new paragraph:

5 “(15) *MULTIPLE EMPLOYER PLANS.*—

6 “(A) *IN GENERAL.*—Except in the case of a
7 church plan, this subsection shall not be treated
8 as failing to apply to an annuity contract solely
9 by reason of such contract being purchased under
10 a plan maintained by more than 1 employer.

11 “(B) *TREATMENT OF EMPLOYERS FAILING*
12 *TO MEET REQUIREMENTS OF PLAN.*—

13 “(i) *IN GENERAL.*—In the case of a
14 plan maintained by more than 1 employer,
15 this subsection shall not be treated as fail-
16 ing to apply to an annuity contract held
17 under such plan merely because of one or
18 more employers failing to meet the require-
19 ments of this subsection if such plan satis-
20 fies rules similar to the rules of section
21 413(e)(2) with respect to any such employer
22 failure.

23 “(ii) *ADDITIONAL REQUIREMENTS IN*
24 *CASE OF NON-GOVERNMENTAL PLANS.*—A
25 plan shall not be treated as meeting the re-
26 quirements of this subparagraph unless the

1 *plan meets the requirements of subpara-*
2 *graph (A) or (B) of section 413(e)(1), except*
3 *in the case of a multiple employer plan*
4 *maintained solely by any of the following:*
5 *A State, a political subdivision of a State,*
6 *or an agency or instrumentality of any one*
7 *or more of the foregoing.”.*

8 *(b) ANNUAL REGISTRATION FOR 403(b) MULTIPLE*
9 *EMPLOYER PLAN.—Section 6057 of such Code is amended*
10 *by redesignating subsection (g) as subsection (h) and by in-*
11 *serting after subsection (f) the following new subsection:*

12 *“(g) 403(b) MULTIPLE EMPLOYER PLANS TREATED AS*
13 *ONE PLAN.—In the case of annuity contracts to which this*
14 *section applies and to which section 403(b) applies by rea-*
15 *son of the plan under which such contracts are purchased*
16 *meeting the requirements of paragraph (15) thereof, such*
17 *plan shall be treated as a single plan for purposes of this*
18 *section.”.*

19 *(c) ANNUAL INFORMATION RETURNS FOR 403(b) MUL-*
20 *TIPLE EMPLOYER PLAN.—Section 6058 of the Internal Rev-*
21 *enue Code of 1986 is amended by redesignating subsection*
22 *(f) as subsection (g) and by inserting after subsection (e)*
23 *the following new subsection:*

24 *“(f) 403(b) MULTIPLE EMPLOYER PLANS TREATED AS*
25 *ONE PLAN.—In the case of annuity contracts to which this*

1 *section applies and to which section 403(b) applies by rea-*
2 *son of the plan under which such contracts are purchased*
3 *meeting the requirements of paragraph (15) thereof, such*
4 *plan shall be treated as a single plan for purposes of this*
5 *section.”.*

6 (d) *AMENDMENTS TO EMPLOYEE RETIREMENT IN-*
7 *COME SECURITY ACT OF 1974.—*

8 (1) *TREATED AS POOLED EMPLOYER PLAN.—*

9 (A) *IN GENERAL.—Section 3(43)(A) of the*
10 *Employee Retirement Income Security Act of*
11 *1974 is amended—*

12 (i) *in clause (ii), by striking “section*
13 *501(a) of such Code or” and inserting*
14 *“501(a) of such Code, a plan that consists*
15 *of contracts described in section 403(b) of*
16 *such Code, or”;* and

17 (ii) *in the flush text at the end, by*
18 *striking “the plan.” and inserting “the*
19 *plan, but such term shall include any pro-*
20 *gram (other than a governmental plan)*
21 *maintained for the benefit of the employees*
22 *of more than 1 employer that consists of*
23 *contracts described in section 403(b) of such*
24 *Code and that meets the requirements of*

1 subparagraph (A) or (B) of section
2 413(e)(1) of such Code.”.

3 (B) CONFORMING AMENDMENTS.—Sections
4 3(43)(B)(v)(II) and 3(44)(A)(i)(I) of such Act
5 are each amended by striking “section 401(a) of
6 such Code or” and inserting “401(a) of such
7 Code, a plan that consists of contracts described
8 in section 403(b) of such Code, or”.

9 (2) FIDUCIARIES.—Section 3(43)(B)(ii) of such
10 Act is amended—

11 (A) by striking “trustees meeting the re-
12 quirements of section 408(a)(2) of the Internal
13 Revenue Code of 1986” and inserting “trustees
14 (or other fiduciaries in the case of a plan that
15 consists of contracts described in section 403(b)
16 of the Internal Revenue Code of 1986) meeting
17 the requirements of section 408(a)(2) of such
18 Code”, and

19 (B) by striking “holding” and inserting
20 “holding (or causing to be held under the terms
21 of a plan consisting of such contracts)”.

22 (e) REGULATIONS RELATING TO PLAN TERMI-
23 NATION.—The Secretary of the Treasury (or the Secretary’s
24 designee) shall prescribe such regulations as may be nec-
25 essary to clarify the treatment of a plan termination by

1 *an employer in the case of plans to which section 403(b)(15)*
2 *of such Code applies.*

3 (f) *MODIFICATION OF MODEL PLAN LANGUAGE.*

4 *ETC.—*

5 (1) *PLAN NOTIFICATIONS.—The Secretary of the*
6 *Treasury (or the Secretary’s designee) shall modify*
7 *the model plan language published under section*
8 *413(e)(5) of the Internal Revenue Code of 1986 to in-*
9 *clude language which notifies participating employers*
10 *described in section 501(c)(3), and which are exempt*
11 *from tax under section 501(a), that the plan is subject*
12 *to the Employee Retirement Income Security Act of*
13 *1974 and that such employer is a plan sponsor with*
14 *respect to its employees participating in the multiple*
15 *employer plan and, as such, has certain fiduciary du-*
16 *ties with respect to the plan and to its employees.*

17 (2) *MODEL PLANS FOR MULTIPLE EMPLOYER*
18 *403(b) NON-GOVERNMENTAL PLANS.—For plans to*
19 *which section 403(b)(15)(A) of the Internal Revenue*
20 *Code of 1986 applies (other than a plan maintained*
21 *for its employees by a State, a political subdivision*
22 *of a State, or an agency or instrumentality of any*
23 *one or more of the foregoing) the Secretary shall pub-*
24 *lish model plan language similar to model plan lan-*
25 *guage published under section 413(e)(5) of such Code.*

1 (3) *EDUCATIONAL OUTREACH TO EMPLOYERS EX-*
2 *EMPT FROM TAX.*—*The Secretary shall provide edu-*
3 *cation and outreach to increase awareness to employ-*
4 *ers described in section 501(c)(3), and which are ex-*
5 *empt from tax under section 501(a), that multiple*
6 *employer plans are subject to the Employee Retire-*
7 *ment Income Security Act of 1974 and that such em-*
8 *ployer is a plan sponsor with respect to its employees*
9 *participating in the multiple employer plan and, as*
10 *such, has certain fiduciary duties with respect to the*
11 *plan and to its employees.*

12 (g) *NO INFERENCE WITH RESPECT TO CHURCH*
13 *PLANS.*—*Regarding any application of section 403(b) of the*
14 *Internal Revenue Code of 1986 to an annuity contract pur-*
15 *chased under a church plan (as defined in section 414(e)*
16 *of such Code) maintained by more than 1 employer, or to*
17 *any application of rules similar to section 413(e) of such*
18 *Code to such a plan, no inference shall be made from section*
19 *403(b)(15)(A) of such Code (as added by this Act) not ap-*
20 *plying to such plans.*

21 (h) *EFFECTIVE DATE.*—

22 (1) *IN GENERAL.*—*The amendments made by*
23 *this section shall apply to plan years beginning after*
24 *December 31, 2021.*

1 (2) *RULE OF CONSTRUCTION.*—Nothing in the
2 amendments made by subsection (a) shall be con-
3 strued as limiting the authority of the Secretary of
4 the Treasury or the Secretary’s delegate (determined
5 without regard to such amendment) to provide for the
6 proper treatment of a failure to meet any requirement
7 applicable under such Code with respect to one em-
8 ployer (and its employees) in the case of a plan to
9 which section 403(b)(15) applies.

10 **SEC. 109. TREATMENT OF STUDENT LOAN PAYMENTS AS**
11 **ELECTIVE DEFERRALS FOR PURPOSES OF**
12 **MATCHING CONTRIBUTIONS.**

13 (a) *IN GENERAL.*—Section 401(m)(4)(A) of the Inter-
14 nal Revenue Code of 1986 is amended by striking “and”
15 at the end of clause (i), by striking the period at the end
16 of clause (ii) and inserting “, and”, and by adding at the
17 end the following new clause:

18 “(iii) subject to the requirements of
19 paragraph (13), any employer contribution
20 made to a defined contribution plan on be-
21 half of an employee on account of a quali-
22 fied student loan payment.”.

23 (b) *QUALIFIED STUDENT LOAN PAYMENT.*—Section
24 401(m)(4) of such Code is amended by adding at the end
25 the following new subparagraph:

1 “(D) *QUALIFIED STUDENT LOAN PAY-*
2 *MENT.—The term ‘qualified student loan pay-*
3 *ment’ means a payment made by an employee in*
4 *repayment of a qualified education loan (as de-*
5 *fined section 221(d)(1)) incurred by the employee*
6 *to pay qualified higher education expenses, but*
7 *only—*

8 “(i) *to the extent such payments in the*
9 *aggregate for the year do not exceed an*
10 *amount equal to—*

11 “(I) *the limitation applicable*
12 *under section 402(g) for the year (or, if*
13 *lesser, the employee’s compensation (as*
14 *defined in section 415(c)(3)) for the*
15 *year), reduced by*

16 “(II) *the elective deferrals made*
17 *by the employee for such year, and*

18 “(ii) *if the employee certifies to the em-*
19 *ployer making the matching contribution*
20 *under this paragraph that such payment*
21 *has been made on such loan.*

22 *For purposes of this subparagraph, the term*
23 *‘qualified higher education expenses’ means the*
24 *cost of attendance (as defined in section 472 of*
25 *the Higher Education Act of 1965, as in effect on*

1 *the day before the date of the enactment of the*
2 *Taxpayer Relief Act of 1997) at an eligible edu-*
3 *cational institution (as defined in section*
4 *221(d)(2)).”.*

5 *(c) MATCHING CONTRIBUTIONS FOR QUALIFIED STU-*
6 *DENT LOAN PAYMENTS.—Section 401(m) of such Code is*
7 *amended by redesignating paragraph (13) as paragraph*
8 *(14), and by inserting after paragraph (12) the following*
9 *new paragraph:*

10 “(13) *MATCHING CONTRIBUTIONS FOR QUALI-*
11 *FIED STUDENT LOAN PAYMENTS.—*

12 “(A) *IN GENERAL.—For purposes of para-*
13 *graph (4)(A)(iii), an employer contribution*
14 *made to a defined contribution plan on account*
15 *of a qualified student loan payment shall be*
16 *treated as a matching contribution for purposes*
17 *of this title if—*

18 “(i) *the plan provides matching con-*
19 *tributions on account of elective deferrals at*
20 *the same rate as contributions on account of*
21 *qualified student loan payments,*

22 “(ii) *the plan provides matching con-*
23 *tributions on account of qualified student*
24 *loan payments only on behalf of employees*

1 otherwise eligible to receive matching con-
2 tributions on account of elective deferrals,

3 “(iii) under the plan, all employees eli-
4 gible to receive matching contributions on
5 account of elective deferrals are eligible to
6 receive matching contributions on account
7 of qualified student loan payments, and

8 “(iv) the plan provides that matching
9 contributions on account of qualified stu-
10 dent loan payments vest in the same man-
11 ner as matching contributions on account of
12 elective deferrals.

13 “(B) *TREATMENT FOR PURPOSES OF NON-*
14 *DISCRIMINATION RULES, ETC.—*

15 “(i) *NONDISCRIMINATION RULES.—For*
16 *purposes of subparagraph (A)(iii), sub-*
17 *section (a)(4), and section 410(b), matching*
18 *contributions described in paragraph*
19 *(4)(A)(iii) shall not fail to be treated as*
20 *available to an employee solely because such*
21 *employee does not have debt incurred under*
22 *a qualified education loan (as defined in*
23 *section 221(d)(1)).*

24 “(ii) *STUDENT LOAN PAYMENTS NOT*
25 *TREATED AS PLAN CONTRIBUTION.—Except*

1 *as provided in clause (iii), a qualified stu-*
2 *dent loan payment shall not be treated as a*
3 *contribution to a plan under this title.*

4 “(iii) *MATCHING CONTRIBUTION*
5 *RULES.—Solely for purposes of meeting the*
6 *requirements of paragraph (11)(B) or (12)*
7 *of this subsection, or paragraph*
8 *(11)(B)(i)(II), (12)(B), or (13)(D) of sub-*
9 *section (k), a plan may treat a qualified*
10 *student loan payment as an elective deferral*
11 *or an elective contribution, whichever is ap-*
12 *plicable.*

13 “(iv) *ACTUAL DEFERRAL PERCENTAGE*
14 *TESTING.—In determining whether a plan*
15 *meets the requirements of subsection*
16 *(k)(3)(A)(ii) for a plan year, the plan may*
17 *apply the requirements of such subsection*
18 *separately with respect to all employees who*
19 *receive matching contributions described in*
20 *paragraph (4)(A)(iii) for the plan year.*

21 “(C) *EMPLOYER MAY RELY ON EMPLOYEE*
22 *CERTIFICATION.—The employer may rely on an*
23 *employee certification of payment under para-*
24 *graph (4)(D)(ii).”.*

1 (d) *SIMPLE RETIREMENT ACCOUNTS.*—Section
2 408(p)(2) of such Code is amended by adding at the end
3 the following new subparagraph:

4 “(F) *MATCHING CONTRIBUTIONS FOR*
5 *QUALIFIED STUDENT LOAN PAYMENTS.*—

6 “(i) *IN GENERAL.*—Subject to the rules
7 of clause (iii), an arrangement shall not fail
8 to be treated as meeting the requirements of
9 subparagraph (A)(iii) solely because under
10 the arrangement, solely for purposes of such
11 subparagraph, qualified student loan pay-
12 ments are treated as amounts elected by the
13 employee under subparagraph (A)(i)(I) to
14 the extent such payments do not exceed—

15 “(I) the applicable dollar amount
16 under subparagraph (E) (after appli-
17 cation of section 414(v)) for the year
18 (or, if lesser, the employee’s compensa-
19 tion (as defined in section 415(c)(3))
20 for the year), reduced by

21 “(II) any other amounts elected
22 by the employee under subparagraph
23 (A)(i)(I) for the year.

1 “(ii) *QUALIFIED STUDENT LOAN PAY-*
2 *MENT.—For purposes of this subpara-*
3 *graph—*

4 “(I) *IN GENERAL.—The term*
5 *‘qualified student loan payment’ means*
6 *a payment made by an employee in re-*
7 *payment of a qualified education loan*
8 *(as defined in section 221(d)(1)) in-*
9 *curring by the employee to pay quali-*
10 *fied higher education expenses, but*
11 *only if the employee certifies to the em-*
12 *ployer making the matching contribu-*
13 *tion that such payment has been made*
14 *on such a loan.*

15 “(II) *QUALIFIED HIGHER EDU-*
16 *CATION EXPENSES.—The term ‘quali-*
17 *fied higher education expenses’ has the*
18 *same meaning as when used in section*
19 *401(m)(4)(D).*

20 “(iii) *APPLICABLE RULES.—Clause (i)*
21 *shall apply to an arrangement only if,*
22 *under the arrangement—*

23 “(I) *matching contributions on*
24 *account of qualified student loan pay-*
25 *ments are provided only on behalf of*

1 *employees otherwise eligible to elect*
2 *contributions under subparagraph*
3 *(A)(i)(I), and*

4 *“(II) all employees otherwise eligi-*
5 *ble to participate in the arrangement*
6 *are eligible to receive matching con-*
7 *tributions on account of qualified stu-*
8 *dent loan payments.”.*

9 *(e) 403(b) PLANS.—Section 403(b)(12)(A) of such Code*
10 *is amended by adding at the end the following: “The fact*
11 *that the employer offers matching contributions on account*
12 *of qualified student loan payments as described in section*
13 *401(m)(13) shall not be taken into account in determining*
14 *whether the arrangement satisfies the requirements of clause*
15 *(ii) (and any regulation thereunder).”.*

16 *(f) 457(b) PLANS.—Section 457(b) of such Code is*
17 *amended by adding at the end the following: “A plan which*
18 *is established and maintained by an employer which is de-*
19 *scribed in subsection (e)(1)(A) shall not be treated as failing*
20 *to meet the requirements of this subsection solely because*
21 *the plan, or another plan maintained by the employer*
22 *which meets the requirements of section 401(a) or 403(b),*
23 *provides for matching contributions on account of qualified*
24 *student loan payments as described in section 401(m)(13).”.*

1 (g) *REGULATORY AUTHORITY.*—*The Secretary shall*
2 *prescribe regulations for purposes of implementing the*
3 *amendments made by this section, including regulations—*

4 (1) *permitting a plan to make matching con-*
5 *tributions for qualified student loan payments, as de-*
6 *finied in sections 401(m)(4)(D) and 408(p)(2)(F) of*
7 *the Internal Revenue Code of 1986, as added by this*
8 *section, at a different frequency than matching con-*
9 *tributions are otherwise made under the plan, pro-*
10 *vided that the frequency is not less than annually;*

11 (2) *permitting employers to establish reasonable*
12 *procedures to claim matching contributions for such*
13 *qualified student loan payments under the plan, in-*
14 *cluding an annual deadline (not earlier than 3*
15 *months after the close of each plan year) by which a*
16 *claim must be made; and*

17 (3) *promulgating model amendments which*
18 *plans may adopt to implement matching contribu-*
19 *tions on such qualified student loan payments for*
20 *purposes of sections 401(m), 408(p), 403(b), and*
21 *457(b) of the Internal Revenue Code of 1986.*

22 (h) *EFFECTIVE DATE.*—*The amendments made by this*
23 *section shall apply to contributions made for plan years*
24 *beginning after December 31, 2021.*

1 **SEC. 110. APPLICATION OF CREDIT FOR SMALL EMPLOYER**
2 **PENSION PLAN STARTUP COSTS TO EMPLOY-**
3 **ERS WHICH JOIN AN EXISTING PLAN.**

4 (a) *IN GENERAL.*—Section 45E(d)(3)(A) of the Inter-
5 nal Revenue Code of 1986 is amended by striking “effective”
6 and inserting “effective with respect to the eligible em-
7 ployer”.

8 (b) *EFFECTIVE DATE.*—The amendment made by this
9 section shall apply to eligible employer plans which become
10 effective with respect to the eligible employer after the date
11 of the enactment of this Act.

12 **SEC. 111. MILITARY SPOUSE RETIREMENT PLAN ELIGI-**
13 **BILITY CREDIT FOR SMALL EMPLOYERS.**

14 (a) *IN GENERAL.*—Subpart D of part IV of subchapter
15 A of chapter 1 of the Internal Revenue Code of 1986 is
16 amended by adding at the end the following new section:
17 **“SEC. 45U. MILITARY SPOUSE RETIREMENT PLAN ELIGI-**
18 **BILITY CREDIT FOR SMALL EMPLOYERS.**

19 “(a) *IN GENERAL.*—For purposes of section 38, in the
20 case of any eligible small employer, the military spouse re-
21 tirement plan eligibility credit determined under this sec-
22 tion for any taxable year is an amount equal to the sum
23 of—

24 “(1) \$250 with respect to each military spouse
25 who is an employee of such employer and who is eli-
26 gible to participate in an eligible defined contribution

1 *plan of such employer at any time during such tax-*
2 *able year, plus*

3 “(2) *so much of the contributions made by such*
4 *employer to all such plans with respect to such em-*
5 *ployee during such taxable year as do not exceed*
6 *\$250.*

7 “(b) *LIMITATION.—An individual shall only be taken*
8 *into account as a military spouse under subsection (a) for*
9 *the taxable year which includes the date on which such indi-*
10 *vidual began participating in the eligible defined contribu-*
11 *tion plan of the employer and the 2 succeeding taxable*
12 *years.*

13 “(c) *ELIGIBLE SMALL EMPLOYER.—For purposes of*
14 *this section—*

15 “(1) *IN GENERAL.—The term ‘eligible small em-*
16 *ployer’ means an eligible employer (as defined in sec-*
17 *tion 408(p)(2)(C)(i)(I)).*

18 “(2) *APPLICATION OF 2-YEAR GRACE PERIOD.—*
19 *A rule similar to the rule of section*
20 *408(p)(2)(C)(i)(II) shall apply for purposes of this*
21 *section.*

22 “(d) *MILITARY SPOUSE.—For purposes of this sec-*
23 *tion—*

24 “(1) *IN GENERAL.—The term ‘military spouse’*
25 *means, with respect to any employer, any individual*

1 *who is married (within the meaning of section 7703*
2 *as of the first date that the employee is employed by*
3 *the employer) to an individual who is a member of*
4 *the uniformed services (as defined section 101(a)(5) of*
5 *title 10, United States Code). For purposes of this sec-*
6 *tion, an employer may rely on an employee’s certifi-*
7 *cation that such employee’s spouse is a member of the*
8 *uniformed services if such certification provides the*
9 *name, rank, and service branch of such spouse.*

10 *“(2) EXCLUSION OF HIGHLY COMPENSATED EM-*
11 *PLOYEES.—With respect to any employer, the term*
12 *‘military spouse’ shall not include any individual if*
13 *such individual is a highly compensated employee of*
14 *such employer (within the meaning of section 414(q)).*

15 *“(e) ELIGIBLE DEFINED CONTRIBUTION PLAN.—For*
16 *purposes of this section, the term ‘eligible defined contribu-*
17 *tion plan’ means, with respect to any eligible small em-*
18 *ployer, any defined contribution plan (as defined in section*
19 *414(i)) of such employer if, under the terms of such plan—*

20 *“(1) military spouses employed by such employer*
21 *are eligible to participate in such plan not later than*
22 *the date which is 2 months after the date on which*
23 *such individual begins employment with such em-*
24 *ployer, and*

1 “(2) *military spouses who are eligible to partici-*
2 *pate in such plan—*

3 “(A) *are immediately eligible to receive an*
4 *amount of employer contributions under such*
5 *plan which is not less the amount of such con-*
6 *tributions that a similarly situated participant*
7 *who is not a military spouse would be eligible to*
8 *receive under such plan after 2 years of service,*
9 *and*

10 “(B) *immediately have a nonforfeitable*
11 *right to the employee’s accrued benefit derived*
12 *from employer contributions under such plan.*

13 “(f) *AGGREGATION RULE.—All persons treated as a*
14 *single employer under subsection (b), (c), (m) or (o) of sec-*
15 *tion 414 shall be treated as one employer for purposes of*
16 *this section.”.*

17 “(b) *CREDIT ALLOWED AS PART OF GENERAL BUSI-*
18 *NESS CREDIT.—Section 38(b) of such Code is amended by*
19 *striking “plus” at the end of paragraph (32), by striking*
20 *the period at the end of paragraph (33) and inserting “,*
21 *plus”, and by adding at the end the following new para-*
22 *graph:*

23 “(34) *in the case of an eligible small employer*
24 *(as defined in section 45U(c)), the military spouse re-*

1 *retirement plan eligibility credit determined under sec-*
2 *tion 45U(a).”.*

3 *(c) SPECIFIED CREDIT FOR PURPOSES OF CERTIFIED*
4 *PROFESSIONAL ORGANIZATIONS.—Section 3511(d)(2) of*
5 *such Code is amended by redesignating subparagraphs (F),*
6 *(G), and (H) as subparagraphs (G), (H), and (I), respec-*
7 *tively, and by inserting after subparagraph (E) the fol-*
8 *lowing new subparagraph:*

9 *“(F) section 45U (military spouse retire-*
10 *ment plan eligibility credit),”.*

11 *(d) CLERICAL AMENDMENT.—The table of sections for*
12 *subpart D of part IV of subchapter A of chapter 1 of such*
13 *Code is amended by adding at the end the following new*
14 *item:*

“Sec. 45U. Military spouse retirement plan eligibility credit for small employ-
 ers.”.

15 *(e) EFFECTIVE DATE.—The amendments made by this*
16 *section shall apply to taxable years beginning after the date*
17 *of the enactment of this Act.*

18 **SEC. 112. SMALL IMMEDIATE FINANCIAL INCENTIVES FOR**
19 **CONTRIBUTING TO A PLAN.**

20 *(a) IN GENERAL.—Subparagraph (A) of section*
21 *401(k)(4) of the Internal Revenue Code of 1986 is amended*
22 *by inserting “(other than a de minimis financial incen-*
23 *tive)” after “any other benefit”.*

1 (b) *SECTION 403(b) PLANS.*—Subparagraph (A) of sec-
2 tion 403(b)(12) of such Code, as amended by the preceding
3 provisions of this Act, is further amended by adding at the
4 end the following: “A plan shall not fail to satisfy clause
5 (ii) solely by reason of offering a *de minimis* financial in-
6 centive to employees to elect to have the employer make con-
7 tributions pursuant to a salary reduction agreement.”.

8 (c) *EXEMPTION FROM PROHIBITED TRANSACTION*
9 *RULES.*—Subsection (d) of section 4975 of such Code is
10 amended by striking “or” at the end of paragraph (22),
11 by striking the period at the end of paragraph (23) and
12 inserting “, or”, and by adding at the end the following
13 new paragraph:

14 “(24) the provision of a *de minimis* financial in-
15 centive described in section 401(k)(4)(A) or
16 403(b)(12)(A).”.

17 (d) *AMENDMENT OF EMPLOYEE RETIREMENT INCOME*
18 *SECURITY ACT OF 1974.*—Subsection (b) of section 408 of
19 the *Employee Retirement Income Security Act of 1974* (29
20 U.S.C. 1108(b)) is amended by adding at the end the fol-
21 lowing new paragraph:

22 “(21) The provision of a *de minimis* financial
23 incentive described in section 401(k)(4)(A) or
24 403(b)(12)(A) of the *Internal Revenue Code of 1986*.”.

1 (e) *EFFECTIVE DATE.*—*The amendments made by this*
2 *section shall apply with respect to plan years beginning*
3 *after the date of enactment of this Act.*

4 **SEC. 113. SAFE HARBOR FOR CORRECTIONS OF EMPLOYEE**
5 **ELECTIVE DEFERRAL FAILURES.**

6 (a) *IN GENERAL.*—*Section 414 of the Internal Revenue*
7 *Code of 1986 is amended by adding at the end the following*
8 *new subsection:*

9 “(aa) *CORRECTING AUTOMATIC CONTRIBUTION ER-*
10 *RORS.*—

11 “(1) *IN GENERAL.*—*Any plan or arrangement*
12 *shall not fail to be treated as a plan described in sec-*
13 *tions 401(a), 403(b), 408, or 457(b), as applicable,*
14 *solely by reason of a corrected error.*

15 “(2) *CORRECTED ERROR DEFINED.*—*For pur-*
16 *poses of this subsection, the term ‘corrected error’*
17 *means a reasonable administrative error in imple-*
18 *menting an automatic enrollment or automatic esca-*
19 *lation feature in accordance with the terms of an eli-*
20 *gible automatic contribution arrangement (as defined*
21 *under subsection (w)(3)), provided that such imple-*
22 *mentation error—*

23 “(A) *is corrected by the date that is 9½*
24 *months after the end of the plan year during*
25 *which the failure occurred,*

1 “(B) is corrected in a manner that is favor-
2 able to the participant, and

3 “(C) is of a type which is so corrected for
4 all similarly situated participants in a non-
5 discriminatory manner.

6 Such correction may occur before or after the partici-
7 pant has terminated employment and may occur
8 without regard to whether the error is identified by
9 the Secretary.

10 “(3) REGULATIONS AND GUIDANCE FOR FAVOR-
11 ABLE CORRECTION METHODS.—The Secretary shall,
12 by regulations or other guidance of general applica-
13 bility, specify the correction methods that are in a
14 manner favorable to the participant for purposes of
15 paragraph (2)(B).”.

16 (b) EFFECTIVE DATE.—The amendment made by this
17 section shall apply with respect to any errors with respect
18 to which the date referred to in section 414(aa) (as added
19 by this section) is after the date of enactment of this Act.

20 **SEC. 114. ONE-YEAR REDUCTION IN PERIOD OF SERVICE**
21 **REQUIREMENT FOR LONG-TERM, PART-TIME**
22 **WORKERS.**

23 (a) IN GENERAL.—Section 401(k)(2)(D)(ii) of the In-
24 ternal Revenue Code of 1986 is amended by striking “3”
25 and inserting “2”.

1 **(b) CLARIFICATION OF PRIOR SERVICE FOR PURPOSES**
2 *OF VESTING RULES.*—Section 112(b) of the Setting Every
3 *Community Up for Retirement Enhancement Act of 2019*
4 *is amended by striking “section 401(k)(2)(D)(ii)” and in-*
5 *serting “paragraphs (2)(D)(ii) and (15)(B)(iii) of section*
6 *401(k)”.*

7 **(c) EFFECTIVE DATE.**—The amendments made by this
8 *section shall take effect as if included in the enactment of*
9 *section 112 of the Setting Every Community Up for Retire-*
10 *ment Enhancement Act of 2019.*

11 **SEC. 115. FINDINGS RELATING TO S CORPORATION ESOPs.**

12 *Congress finds the following:*

13 (1) *On January 1, 1998, nearly 25 years after*
14 *the Employee Retirement Income Security Act of*
15 *1974 was enacted and the employee stock ownership*
16 *plan (hereafter in this section referred to as an*
17 *“ESOP”) was created, employees were first permitted*
18 *to be owners of subchapter S corporations pursuant to*
19 *the Small Business Job Protection Act of 1996 (Pub-*
20 *lic Law 104–188).*

21 (2) *With the passage of the Taxpayer Relief Act*
22 *of 1997 (Public Law 105–34), Congress designed in-*
23 *centives to encourage businesses to become ESOP-*
24 *owned S corporations.*

1 (3) *Since that time, several thousand companies*
2 *have become ESOP-owned S corporations, creating an*
3 *ownership interest for several million Americans in*
4 *companies in every State in the country, in indus-*
5 *tries ranging from heavy manufacturing to construc-*
6 *tion and contracting to services.*

7 (4) *Every United States worker who is an em-*
8 *ployee-owner of an S corporation company through*
9 *an ESOP has a valuable qualified retirement savings*
10 *account.*

11 (5) *Recent studies have shown that employees of*
12 *ESOP-owned S corporations enjoy greater job sta-*
13 *bility, wages and benefits than employees of com-*
14 *parable companies; and ESOP companies are better*
15 *able to weather economic downturns.*

16 (6) *Studies also show that employee-owners of S*
17 *corporation ESOP companies have amassed meaning-*
18 *ful retirement savings through their ESOP accounts*
19 *that will give them the means to retire with dignity.*

20 (7) *It is the goal of Congress to preserve and fos-*
21 *ter employee ownership of S corporations through*
22 *ESOPs.*

1 **TITLE II—PRESERVATION OF**
2 **INCOME**

3 **SEC. 201. REMOVE REQUIRED MINIMUM DISTRIBUTION**
4 **BARRIERS FOR LIFE ANNUITIES.**

5 (a) *IN GENERAL.*—Section 401(a)(9) of the Internal
6 Revenue Code of 1986 is amended by adding at the end
7 the following new subparagraph:

8 “(J) *CERTAIN INCREASES IN PAYMENTS*
9 *UNDER A COMMERCIAL ANNUITY.*—Nothing in
10 this section shall prohibit a commercial annuity
11 (within the meaning of section 3405(e)(6)) that
12 is issued in connection with any eligible retire-
13 ment plan (within the meaning of section
14 402(c)(8)(B), other than a defined benefit plan)
15 from providing one or more of the following
16 types of payments on or after the annuity start-
17 ing date:

18 “(i) *annuity payments that increase*
19 *by a constant percentage, applied not less*
20 *frequently than annually, at a rate that is*
21 *less than 5 percent per year,*

22 “(ii) *a lump sum payment that—*

23 “(I) *results in a shortening of the*
24 *payment period with respect to an an-*
25 *nuity or a full or partial commutation*

1 *of the future annuity payments, pro-*
2 *vided that such lump sum is deter-*
3 *mined using reasonable actuarial*
4 *methods and assumptions, as deter-*
5 *mined in good faith by the issuer of the*
6 *contract, or*

7 *“(II) accelerates the receipt of an-*
8 *nuity payments that are scheduled to*
9 *be received within the ensuing 12*
10 *months, regardless of whether such ac-*
11 *celeration shortens the payment period*
12 *with respect to the annuity, reduces the*
13 *dollar amount of benefits to be paid*
14 *under the contract, or results in a sus-*
15 *pension of annuity payments during*
16 *the period being accelerated,*

17 *“(iii) an amount which is in the na-*
18 *ture of a dividend or similar distribution,*
19 *provided that the issuer of the contract de-*
20 *termines such amount based on a reasonable*
21 *comparison of the actuarial factors assumed*
22 *when calculating the initial annuity pay-*
23 *ments and the issuer’s experience with re-*
24 *spect to those factors, or*

1 “(iv) a final payment upon death that
2 does not exceed the excess of the total
3 amount of the consideration paid for the
4 annuity payments, less the aggregate
5 amount of prior distributions or payments
6 from or under the contract.”.

7 (b) *REGULATIONS AND ENFORCEMENT.*—

8 (1) *REGULATIONS.*—By the date that is one year
9 after the date of enactment of this Act, the Secretary
10 of the Treasury shall amend the regulation issued by
11 the Department of the Treasury relating to “Required
12 Distributions from Retirement Plans,” 69 Fed. Reg.
13 33288 (June 15, 2004), and make any corresponding
14 amendments to other regulations, in order to—

15 (A) conform such regulations to subsection
16 (a), including by eliminating the types of pay-
17 ments described in subsection (a) from the scope
18 of the requirement in Q&A–14(c) of Treasury
19 Regulation section 1.401(a)(9)–6 that the total
20 future expected payments must exceed the total
21 value being annuitized;

22 (B) amend Q&A–14(c) of Treasury Regula-
23 tion section 1.401(a)(9)–6 to provide that a com-
24 mercial annuity that provides an initial pay-
25 ment that is at least equal to the initial payment

1 that would be required from an individual ac-
2 count pursuant to Treasury Regulation section
3 1.401(a)(9)–5 will be deemed to satisfy the re-
4 quirement in Q&A–14(c) of Treasury Regulation
5 section 1.401(a)(9)–6 that the total future ex-
6 pected payments must exceed the total value
7 being annuitized; and

8 (C) amend Q&A–14(e)(3) of Treasury Regu-
9 lation section 1.401(a)(9)–6 to provide that the
10 total future expected payments under a commer-
11 cial annuity are determined using the tables or
12 other actuarial assumptions that the issuer of the
13 contract actually uses in pricing the premiums
14 and benefits with respect to the contract, pro-
15 vided that such tables or other actuarial assump-
16 tions are reasonable.

17 (2) *ENFORCEMENT.*—As of the date of enactment
18 of this Act, the Secretary of the Treasury shall ad-
19 minister and enforce the law in accordance with sub-
20 sections (a) and (b).

21 (c) *EFFECTIVE DATE.*—This section shall take effect
22 on the date of the enactment of this Act.

23 **SEC. 202. QUALIFYING LONGEVITY ANNUITY CONTRACTS.**

24 (a) *IN GENERAL.*—Not later than the date which is
25 1 year after the date of the enactment of this Act, the Sec-

1 *retary of the Treasury or the Secretary’s delegate (hereafter*
2 *in this section referred to as the “Secretary”)* shall amend
3 *the regulation issued by the Department of the Treasury*
4 *relating to “Longevity Annuity Contracts” (79 Fed. Reg.*
5 *37633 (July 2, 2014)), as follows:*

6 (1) *REPEAL 25-PERCENT PREMIUM LIMIT.—The*
7 *Secretary shall amend Q&A–17(b)(3) of Treasury*
8 *Regulation section 1.401(a)(9)–6 and Q&A–12(b)(3)*
9 *of Treasury Regulation section 1.408–8 to eliminate*
10 *the requirement that premiums for qualifying lon-*
11 *gevity annuity contracts be limited to a percentage of*
12 *an individual’s account balance, and to make such*
13 *corresponding changes to the regulations and related*
14 *forms as are necessary to reflect the elimination of*
15 *this requirement.*

16 (2) *FACILITATE JOINT AND SURVIVOR BENE-*
17 *FITS.—The Secretary shall amend Q&A–17(c) of*
18 *Treasury Regulation section 1.401(a)(9)–6, and make*
19 *such corresponding changes to the regulations and re-*
20 *lated forms as are necessary, to provide that, in the*
21 *case of a qualifying longevity annuity contract which*
22 *was purchased with joint and survivor annuity bene-*
23 *fits for the individual and the individual’s spouse*
24 *which were permissible under the regulations at the*
25 *time the contract was originally purchased, a divorce*

1 *occurring after the original purchase and before the*
2 *annuity payments commence under the contract will*
3 *not affect the permissibility of the joint and survivor*
4 *annuity benefits or other benefits under the contract,*
5 *or require any adjustment to the amount or duration*
6 *of benefits payable under the contract, provided that*
7 *any qualified domestic relations order (within the*
8 *meaning of section 414(p) of the Internal Revenue*
9 *Code of 1986) or any divorce or separation instru-*
10 *ment (as defined in subsection (b))—*

11 *(A) provides that the former spouse is enti-*
12 *tled to the survivor benefits under the contract;*

13 *(B) does not modify the treatment of the*
14 *former spouse as the beneficiary under the con-*
15 *tract who is entitled to the survivor benefits; or*

16 *(C) does not modify the treatment of the*
17 *former spouse as the measuring life for the sur-*
18 *vivor benefits under the contract.*

19 *(3) PERMIT SHORT FREE LOOK PERIOD.—The*
20 *Secretary shall amend Q&A–17(a)(4) of Treasury*
21 *Regulation section 1.401(a)(9)–6 to ensure that such*
22 *Q&A does not preclude a contract from including a*
23 *provision under which an employee may rescind the*
24 *purchase of the contract within a period not exceeding*
25 *90 days from the date of purchase.*

1 **(b) DIVORCE OR SEPARATION INSTRUMENT.**—For pur-
2 poses of subsection (a)(2), the term “divorce or separation
3 instrument” means—

4 (1) a decree of divorce or separate maintenance
5 or a written instrument incident to such a decree,

6 (2) a written separation agreement, or

7 (3) a decree (not described in paragraph (1)) re-
8 quiring a spouse to make payments for the support or
9 maintenance of the other spouse.

10 **(c) EFFECTIVE DATES, ENFORCEMENT, AND INTER-**
11 **PRETATIONS.**—

12 (1) **EFFECTIVE DATES.**—

13 (A) Paragraph (1) of subsection (a) shall be
14 effective with respect to contracts purchased or
15 received in an exchange on or after the date of
16 the enactment of this Act.

17 (B) Paragraphs (2) and (3) of subsection
18 (a) shall be effective with respect to contracts
19 purchased or received in an exchange on or after
20 July 2, 2014.

21 (2) **ENFORCEMENT AND INTERPRETATIONS.**—
22 Prior to the date on which the Secretary issues final
23 regulations pursuant to subsection (a)—

24 (A) the Secretary (or delegate) shall admin-
25 ister and enforce the law in accordance with sub-

1 *section (a) and the effective dates in paragraph*
2 *(1) of this subsection; and*

3 *(B) taxpayers may rely upon their reason-*
4 *able good faith interpretations of subsection (a).*

5 **SEC. 203. INSURANCE-DEDICATED EXCHANGE-TRADED**
6 **FUNDS.**

7 *(a) IN GENERAL.—Not later than the date which is*
8 *7 years after the date of the enactment of this Act, the Sec-*
9 *retary of the Treasury (or the Secretary’s delegate) shall*
10 *amend the regulation issued by the Department of the*
11 *Treasury relating to “Income Tax; Diversification Require-*
12 *ments for Variable Annuity, Endowment, and Life Insur-*
13 *ance Contracts”, 54 Fed. Reg. 8728 (March 2, 1989), and*
14 *make any necessary corresponding amendments to other*
15 *regulations, in order to facilitate the use of exchange-traded*
16 *funds as investment options under variable contracts within*
17 *the meaning of section 817(d) of the Internal Revenue Code*
18 *of 1986, in accordance with subsections (b) and (c) of this*
19 *section.*

20 *(b) DESIGNATE CERTAIN AUTHORIZED PARTICIPANTS*
21 *AND MARKET MAKERS AS ELIGIBLE INVESTORS.—The Sec-*
22 *retary of the Treasury (or the Secretary’s delegate) shall*
23 *amend Treas. Reg. section 1.817–5(f)(3) to provide that sat-*
24 *isfaction of the requirements in Treas. Reg. section 1.817–*
25 *5(f)(2)(i) with respect to an exchange-traded fund shall not*

1 *be prevented by reason of beneficial interests in such a fund*
2 *being held by 1 or more authorized participants or market*
3 *makers.*

4 *(c) DEFINE RELEVANT TERMS.—In amending Treas.*
5 *Reg. section 1.817–5(f)(3) in accordance with subsections*
6 *(b) of this section, the Secretary of the Treasury (or the*
7 *Secretary’s delegate) shall provide definitions consistent*
8 *with the following:*

9 *(1) EXCHANGE-TRADED FUND.—The term “ex-*
10 *change-traded fund” means a regulated investment*
11 *company, partnership, or trust—*

12 *(A) that is registered with the Securities*
13 *and Exchange Commission as an open-end in-*
14 *vestment company or a unit investment trust;*

15 *(B) the shares of which can be purchased or*
16 *redeemed directly from the fund only by an au-*
17 *thorized participant; and*

18 *(C) the shares of which are traded through-*
19 *out the day on a national stock exchange at mar-*
20 *ket prices that may or may not be the same as*
21 *the net asset value of the shares.*

22 *(2) AUTHORIZED PARTICIPANT.—The term “au-*
23 *thorized participant” means a financial institution*
24 *that is a member or participant of a clearing agency*
25 *registered under section 17A(b) of the Securities Ex-*

1 *change Act of 1934 that enters into a contractual re-*
2 *lationship with an exchange-traded fund pursuant to*
3 *which the financial institution is permitted to pur-*
4 *chase and redeem shares directly from the fund and*
5 *to sell such shares to third parties, but only if the*
6 *contractual arrangement or applicable law precludes*
7 *the financial institution from—*

8 *(A) purchasing the shares for its own in-*
9 *vestment purposes rather than for the exclusive*
10 *purpose of creating and redeeming such shares*
11 *on behalf of third parties; and*

12 *(B) selling the shares to third parties who*
13 *are not market makers or otherwise described in*
14 *Treas. Reg. section 1.817–5(f) (1) and (3).*

15 *(3) MARKET MAKER.—The term “market maker”*
16 *means a financial institution that is a registered*
17 *broker or dealer under section 15(b) of the Securities*
18 *Exchange Act of 1934 that maintains liquidity for an*
19 *exchange-traded fund on a national stock exchange by*
20 *being always ready to buy and sell shares of such*
21 *fund on the market, but only if the financial institu-*
22 *tion is contractually or legally precluded from selling*
23 *or buying such shares to or from persons who are not*
24 *authorized participants or otherwise described in*
25 *Treas. Reg. section 1.817–5(f) (2) and (3).*

1 (d) *EFFECTIVE DATE.*—Subsections (b) and (c) shall
 2 apply to segregated asset account investments made on or
 3 after the date that is 7 years after the date of the enactment
 4 of this Act.

5 **TITLE III—SIMPLIFICATION AND**
 6 **CLARIFICATION OF RETIRE-**
 7 **MENT PLAN RULES**

8 **SEC. 301. RECOVERY OF RETIREMENT PLAN OVERPAY-**
 9 **MENTS.**

10 (a) *OVERPAYMENTS UNDER INTERNAL REVENUE*
 11 *CODE OF 1986.*—

12 (1) *QUALIFICATION REQUIREMENTS.*—Section
 13 414 of the Internal Revenue Code of 1986, as amend-
 14 ed by the preceding provisions of this Act, is further
 15 amended by adding at the end the following new sub-
 16 section:

17 “(b) *SPECIAL RULES APPLICABLE TO BENEFIT*
 18 *OVERPAYMENTS.*—

19 “(1) *IN GENERAL.*—A plan shall not fail to be
 20 treated as described in clause (i), (ii), (iii), or (iv) of
 21 section 219(g)(5)(A) (and shall not fail to be treated
 22 as satisfying the requirements of section 401(a) or
 23 403) merely because—

24 “(A) the plan fails to obtain payment from
 25 any participant, beneficiary, employer, plan

1 *sponsor, fiduciary, or other party on account of*
2 *any inadvertent benefit overpayment made by*
3 *the plan, or*

4 “(B) *the plan sponsor amends the plan to*
5 *increase past or future benefit payments to af-*
6 *ected participants and beneficiaries in order to*
7 *adjust for prior inadvertent benefit overpay-*
8 *ments.*

9 “(2) *REDUCTION IN FUTURE BENEFIT PAYMENTS*
10 *AND RECOVERY FROM RESPONSIBLE PARTY.—Para-*
11 *graph (1) shall not fail to apply to a plan merely be-*
12 *cause, after discovering a benefit overpayment, such*
13 *plan—*

14 “(A) *reduces future benefit payments to the*
15 *correct amount provided for under the terms of*
16 *the plan, or*

17 “(B) *seeks recovery from the person or per-*
18 *sons responsible for such overpayment.*

19 “(3) *EMPLOYER FUNDING OBLIGATIONS.—Noth-*
20 *ing in this subsection shall relieve an employer of any*
21 *obligation imposed on it to make contributions to a*
22 *plan to meet the minimum funding standards under*
23 *sections 412 and 430 or to prevent or restore an im-*
24 *permissible forfeiture in accordance with section 411.*

1 “(4) *OBSERVANCE OF BENEFIT LIMITATIONS.*—
2 *Notwithstanding paragraph (1), a plan to which*
3 *paragraph (1) applies shall observe any limitations*
4 *imposed on it by section 401(a)(17) or 415. The plan*
5 *may enforce such limitations using any method ap-*
6 *proved by the Secretary for recouping benefits pre-*
7 *viously paid or allocations previously made in excess*
8 *of such limitations.*

9 “(5) *COORDINATION WITH OTHER QUALIFICATION*
10 *REQUIREMENTS.*—*The Secretary may issue regula-*
11 *tions or other guidance of general applicability speci-*
12 *fying how benefit overpayments and their recoupment*
13 *or non-recoupment from a participant or beneficiary*
14 *shall be taken into account for purposes of satisfying*
15 *any requirement applicable to a plan to which para-*
16 *graph (1) applies.”.*

17 (2) *ROLLOVERS.*—*Section 402(c) of such Code is*
18 *amended by adding at the end the following new*
19 *paragraph:*

20 “(12) *In the case of an inadvertent benefit over-*
21 *payment from a plan to which section 414(bb)(1) ap-*
22 *plies which is transferred to an eligible retirement*
23 *plan by or on behalf of a participant or beneficiary—*

24 “(A) *the portion of such overpayment with*
25 *respect to which recoupment is not sought on be-*

1 *half of the plan shall be treated as having been*
2 *paid in an eligible rollover distribution if the*
3 *payment would have been an eligible rollover*
4 *distribution but for being an overpayment, and*
5 *“(B) the portion of such overpayment with*
6 *respect to which recoupment is sought on behalf*
7 *of the plan shall be permitted to be returned to*
8 *such plan and in such case shall be treated as*
9 *an eligible rollover distribution transferred to*
10 *such plan by the participant or beneficiary who*
11 *received such overpayment (and the plans mak-*
12 *ing and receiving such transfer shall be treated*
13 *as permitting such transfer).*

14 *In any case in which recoupment is sought on behalf*
15 *of the plan but is disputed by the participant or bene-*
16 *ficiary who received such overpayment, such dispute*
17 *shall be subject to the claims and appeals procedures*
18 *of the plan that made such overpayment, such plan*
19 *shall notify the plan receiving the rollover of such dis-*
20 *pute, and the plan receiving the rollover shall retain*
21 *such overpayment on behalf of the participant or ben-*
22 *eficiary (and shall be entitled to treat such overpay-*
23 *ment as plan assets) pending the outcome of such pro-*
24 *cedures.”.*

1 (b) *OVERPAYMENTS UNDER ERISA.*—Section 206 of
2 *the Employee Retirement Income Security Act of 1974 (29*
3 *U.S.C. 1056) is amended by adding at the end the following*
4 *new subsection:*

5 “(h) *SPECIAL RULES APPLICABLE TO BENEFIT OVER-*
6 *PAYMENTS.*—

7 “(1) *GENERAL RULE.*—*In the case of an inad-*
8 *vertent benefit overpayment by any pension plan, the*
9 *responsible plan fiduciary shall not be considered to*
10 *have failed to comply with the requirements of this*
11 *title merely because such fiduciary determines, in the*
12 *exercise of its fiduciary discretion, not to seek recov-*
13 *ery of all or part of such overpayment from—*

14 “(A) *any participant or beneficiary,*

15 “(B) *any plan sponsor of, or contributing*
16 *employer to—*

17 “(i) *an individual account plan, pro-*
18 *vided that the amount needed to prevent or*
19 *restore any impermissible forfeiture from*
20 *any participant’s or beneficiary’s account*
21 *arising in connection with the overpayment*
22 *is, separately from and independently of the*
23 *overpayment, allocated to such account pur-*
24 *suant to the nonforfeitability requirements*
25 *of section 203 (for example, out of the plan’s*

1 *forfeiture account, additional employer con-*
2 *tributions, or recoveries from those respon-*
3 *sible for the overpayment), or*

4 *“(ii) a defined benefit pension plan*
5 *subject to the funding rules in part 3 of this*
6 *subtitle B, unless the responsible plan fidu-*
7 *ciary determines, in the exercise of its fidu-*
8 *ciary discretion, that failure to recover all*
9 *or part of the overpayment faster than re-*
10 *quired under such funding rules would ma-*
11 *terially affect the plan’s ability to pay bene-*
12 *fits due to other participants and bene-*
13 *ficiaries, or*

14 *“(C) any fiduciary of the plan, other than*
15 *a fiduciary (including a plan sponsor or contrib-*
16 *uting employer acting in a fiduciary capacity)*
17 *whose breach of its fiduciary duties resulted in*
18 *such overpayment, provided that if the plan has*
19 *established prudent procedures to prevent and*
20 *minimize overpayment of benefits and the rel-*
21 *evant plan fiduciaries have followed such proce-*
22 *dures, an inadvertent benefit overpayment will*
23 *not give rise to a breach of fiduciary duty.*

24 *“(2) REDUCTION IN FUTURE BENEFIT PAYMENTS*
25 *AND RECOVERY FROM RESPONSIBLE PARTY.—Para-*

1 *graph (1) shall not fail to apply with respect to any*
2 *inadvertent benefit overpayment merely because, after*
3 *discovering such overpayment, the responsible plan fi-*
4 *duciary—*

5 *“(A) reduces future benefit payments to the*
6 *correct amount provided for under the terms of*
7 *the plan, or*

8 *“(B) seeks recovery from the person or per-*
9 *sons responsible for the overpayment.*

10 *“(3) EMPLOYER FUNDING OBLIGATIONS.—Noth-*
11 *ing in this subsection shall relieve an employer of any*
12 *obligation imposed on it to make contributions to a*
13 *plan to meet the minimum funding standards under*
14 *part 3 of this subtitle B or to prevent or restore an*
15 *impermissible forfeiture in accordance with section*
16 *203.*

17 *“(4) RECOUPMENT FROM PARTICIPANTS AND*
18 *BENEFICIARIES.—If the responsible plan fiduciary, in*
19 *the exercise of its fiduciary discretion, decides to seek*
20 *recoupment from a participant or beneficiary of all*
21 *or part of an inadvertent benefit overpayment made*
22 *by the plan to such participant or beneficiary, it may*
23 *do so, subject to the following conditions:*

1 “(A) No interest or other additional
2 amounts (such as collection costs or fees) are
3 sought on overpaid amounts.

4 “(B) If the plan seeks to recoup past over-
5 payments of a non-decreasing periodic benefit by
6 reducing future benefit payments—

7 “(i) the reduction ceases after the plan
8 has recovered the full dollar amount of the
9 overpayment,

10 “(ii) the amount recouped each cal-
11 endar year does not exceed 10 percent of the
12 full dollar amount of the overpayment, and

13 “(iii) future benefit payments are not
14 reduced to below 90 percent of the periodic
15 amount otherwise payable under the terms
16 of the plan.

17 *Alternatively, if the plan seeks to recoup past*
18 *overpayments of a non-decreasing periodic ben-*
19 *efit through one or more installment payments,*
20 *the sum of such installment payments in any*
21 *calendar year does not exceed the sum of the re-*
22 *ductions that would be permitted in such year*
23 *under the preceding sentence.*

24 “(C) If the plan seeks to recoup past over-
25 payments of a benefit other than a non-decreas-

1 *ing periodic benefit, the plan satisfies require-*
2 *ments developed by the Secretary of the Treasury*
3 *for purposes of this subparagraph.*

4 *“(D) Efforts to recoup overpayments are not*
5 *made through a collection agency or similar*
6 *third party and such efforts are not accompanied*
7 *by threats of litigation, unless the responsible*
8 *plan fiduciary reasonably believes it could pre-*
9 *vail in a civil action brought in Federal or State*
10 *court to recoup the overpayments.*

11 *“(E) Recoupment of past overpayments to a*
12 *participant is not sought from any beneficiary of*
13 *the participant, including a spouse, surviving*
14 *spouse, former spouse, or other beneficiary.*

15 *“(F) Recoupment may not be sought if the*
16 *first overpayment occurred more than 3 years be-*
17 *fore the participant or beneficiary is first noti-*
18 *fied in writing of the error.*

19 *“(G) A participant or beneficiary from*
20 *whom recoupment is sought is entitled to contest*
21 *all or part of the recoupment pursuant to the*
22 *plan’s claims and appeals procedures.*

23 *“(H) In determining the amount of*
24 *recoupment to seek, the responsible plan fidu-*
25 *ciary may take into account the hardship that*

1 *recoupment likely would impose on the partici-*
2 *pant or beneficiary.*

3 “(5) *EFFECT OF CULPABILITY.*—*Subparagraphs*
4 *(A) through (F) of paragraph (4) shall not apply to*
5 *protect a participant or beneficiary who is culpable.*
6 *For purposes of this paragraph, a participant or ben-*
7 *eficiary is culpable if the individual bears responsi-*
8 *bility for the overpayment (such as through misrepre-*
9 *sentations or omissions that led to the overpayment),*
10 *or if the individual knew, or had good reason to know*
11 *under the circumstances, that the benefit payment or*
12 *payments were materially in excess of the correct*
13 *amount. Notwithstanding the preceding sentence, an*
14 *individual is not culpable merely because the indi-*
15 *vidual believed the benefit payment or payments were*
16 *or might be in excess of the correct amount, if the in-*
17 *dividual raised that question with an authorized plan*
18 *representative and was told the payment or payments*
19 *were not in excess of the correct amount. With respect*
20 *to a culpable participant or beneficiary, efforts to re-*
21 *coup overpayments shall not be made through threats*
22 *of litigation, unless a lawyer for the plan could make*
23 *the representations required under Rule 11 of the Fed-*
24 *eral Rules of Civil Procedure if the litigation were*
25 *brought in Federal court.”.*

1 (c) *EFFECTIVE DATE.*—*The amendments made by this*
2 *section shall apply as of the date of the enactment of this*
3 *Act.*

4 (d) *CERTAIN ACTIONS BEFORE DATE OF ENACT-*
5 *MENT.*—*Plans, fiduciaries, employers, and plan sponsors*
6 *are entitled to rely on—*

7 (1) *a good faith interpretation of then existing*
8 *administrative guidance for inadvertent benefit over-*
9 *payment recoupments and recoveries that commenced*
10 *before the date of enactment of this Act, and*

11 (2) *determinations made before such date of en-*
12 *actment by the responsible plan fiduciary, in the exer-*
13 *cise of its fiduciary discretion, not to seek recoupment*
14 *or recovery of all or part of an inadvertent benefit*
15 *overpayment.*

16 *In the case of a benefit overpayment that occurred prior*
17 *to the date of enactment of this Act, any installment pay-*
18 *ments by the participant or beneficiary to the plan or any*
19 *reduction in periodic benefit payments to the participant*
20 *or beneficiary, which were made in recoupment of such*
21 *overpayment and which commenced prior to such date, may*
22 *continue after such date. Nothing in this subsection shall*
23 *relieve a fiduciary from responsibility for an overpayment*
24 *that resulted from a breach of its fiduciary duties.*

1 **SEC. 302. REDUCTION IN EXCISE TAX ON CERTAIN ACCUMU-**
2 **LATIONS IN QUALIFIED RETIREMENT PLANS.**

3 (a) *IN GENERAL.*—Section 4974(a) of the Internal
4 Revenue Code of 1986 is amended by striking “50 percent”
5 and inserting “25 percent”.

6 (b) *REDUCTION IN EXCISE TAX ON FAILURES TO TAKE*
7 *REQUIRED MINIMUM DISTRIBUTIONS.*—Section 4974 of
8 such Code is amended by adding at the end the following
9 new subsection:

10 “(e) *REDUCTION OF TAX IN CERTAIN CASES.*—

11 “(1) *REDUCTION.*—In the case of a taxpayer
12 who—

13 “(A) corrects, during the correction window,
14 a shortfall of distributions from an individual
15 retirement plan which resulted in imposition of
16 a tax under subsection (a), and

17 “(B) submits a return, during the correc-
18 tion window, reflecting such tax (as modified by
19 this subsection),

20 the first sentence of subsection (a) shall be applied by
21 substituting ‘10 percent’ for ‘25 percent’.

22 “(2) *CORRECTION WINDOW.*—For purposes of
23 this subsection, the term ‘correction window’ means
24 the period of time beginning on the date on which the
25 tax under subsection (a) is imposed with respect to a

1 *shortfall of distributions from an individual retire-*
2 *ment plan, and ending on the earlier of—*

3 “(A) *the date on which the Secretary initi-*
4 *ates an audit, or otherwise demands payment,*
5 *with respect to the shortfall of distributions, or*

6 “(B) *the last day of the second taxable year*
7 *that begins after the end of the taxable year in*
8 *which the tax under subsection (a) is imposed.”.*

9 (c) *EFFECTIVE DATE.*—*The amendments made by this*
10 *section shall apply to taxable years beginning after Decem-*
11 *ber 31, 2021.*

12 **SEC. 303. PERFORMANCE BENCHMARKS FOR ASSET ALLO-**
13 **CATION FUNDS.**

14 (a) *IN GENERAL.*—*Not later than 6 months after the*
15 *date of the enactment of this Act, the Secretary of Labor*
16 *(or the Secretary’s delegate) shall modify the regulations*
17 *under section 404 of the Employee Retirement Income Secu-*
18 *rity Act of 1974 (29 U.S.C. 1104) to provide that, in the*
19 *case of a designated investment alternative which contains*
20 *a mix of asset classes, a plan administrator may, but is*
21 *not required to, use a benchmark which is a blend of dif-*
22 *ferent broad-based securities market indices if—*

23 (1) *the blend is reasonably representative of the*
24 *asset class holdings of the designated investment alter-*
25 *native;*

1 (2) *for purposes of determining the blend’s re-*
2 *turns for 1-, 5-, and 10-calendar-year periods (or for*
3 *the life of the alternative, if shorter), the blend is*
4 *modified at least once per year to reflect changes in*
5 *the asset class holdings of the designated investment*
6 *alternative;*

7 (3) *the blend is furnished to participants and*
8 *beneficiaries in a manner that is reasonably designed*
9 *to be understandable and helpful; and*

10 (4) *each securities market index which is used*
11 *for an associated asset class would separately satisfy*
12 *the requirements of such regulations for such asset*
13 *class.*

14 (b) *STUDY.—Not later than December 31, 2022, the*
15 *Secretary of Labor (or the Secretary’s delegate) shall deliver*
16 *a report to the Committees on Ways and Means and Edu-*
17 *cation and Labor of the House of Representatives and the*
18 *Committees on Finance and Health, Education, Labor, and*
19 *Pensions of the Senate regarding the effectiveness of the*
20 *benchmarking requirements under section 2550.404a–5 of*
21 *title 29, Code of Federal Regulations.*

1 **SEC. 304. REVIEW AND REPORT TO THE CONGRESS RELAT-**
2 **ING TO REPORTING AND DISCLOSURE RE-**
3 **QUIREMENTS.**

4 (a) *STUDY.*—As soon as practicable after the date of
5 the enactment of this Act, the Secretary of Labor, the Sec-
6 retary of the Treasury, and the Pension Benefit Guaranty
7 Corporation shall review the reporting and disclosure re-
8 quirements of—

9 (1) *title I of the Employee Retirement Income*
10 *Security Act of 1974 applicable to pension plans (as*
11 *defined in section 3(2) of such Act); and*

12 (2) *the Internal Revenue Code of 1986 applicable*
13 *to qualified retirement plans (as defined in section*
14 *4974(c) of such Code without regard to paragraphs*
15 *(4) and (5) thereof).*

16 (b) *REPORT.*—Not later than 18 months after the date
17 of the enactment of this Act, the Secretary of Labor, the
18 Secretary of the Treasury, and the Pension Benefit Guar-
19 anty Corporation, jointly, and after consultation with a
20 balanced group of participant and employer representa-
21 tives, shall with respect to plans referenced in subsection
22 (a) report on the effectiveness of the applicable reporting
23 and disclosure requirements and make such recommenda-
24 tions as may be appropriate to the appropriate committees
25 of the Congress to consolidate, simplify, standardize, and
26 improve such requirements so as to simplify reporting for

1 *such plans and ensure that plans can simply furnish and*
2 *participants and beneficiaries timely receive and better un-*
3 *derstand the information they need to monitor their plans,*
4 *plan for retirement, and obtain the benefits they have*
5 *earned. Such report shall assess the extent to which retire-*
6 *ment plans are retaining disclosures, work records, and*
7 *plan documents that are needed to ensure accurate calcula-*
8 *tion of future benefits. To assess the effectiveness of the ap-*
9 *plicable reporting and disclosure requirements, the report*
10 *shall include an analysis, based on plan data, of how par-*
11 *ticipants and beneficiaries are providing preferred contact*
12 *information, the methods by which plan sponsors and plans*
13 *are furnishing disclosures, and the rate at which partici-*
14 *pants and beneficiaries (grouped by key demographics) are*
15 *receiving, accessing, and retaining disclosures. The agencies*
16 *shall conduct appropriate surveys and data collection to ob-*
17 *tain any needed information.*

18 **SEC. 305. ELIMINATING UNNECESSARY PLAN REQUIRE-**
19 **MENTS RELATED TO UNENROLLED PARTICI-**
20 **PANTS.**

21 (a) *AMENDMENT OF INTERNAL REVENUE CODE OF*
22 *1986.—Section 414 of the Internal Revenue Code of 1986,*
23 *as amended by the preceding provisions of this Act, is fur-*
24 *ther amended by adding at the end the following new sub-*
25 *section:*

1 “(cc) *ELIMINATING UNNECESSARY PLAN REQUIRE-*
2 *MENTS RELATED TO UNENROLLED PARTICIPANTS.*—

3 “(1) *IN GENERAL.*—*Notwithstanding any other*
4 *provision of this title, with respect to any defined*
5 *contribution plan, no disclosure, notice, or other plan*
6 *document (other than the notices and documents de-*
7 *scribed in subparagraphs (A) and (B)) shall be re-*
8 *quired to be furnished under this title to any*
9 *unenrolled participant if the unenrolled participant*
10 *receives—*

11 “(A) *an annual reminder notice (in paper*
12 *format, or in any electronic format consented to*
13 *by the participant) of such participant’s eligi-*
14 *bility to participate in such plan and any appli-*
15 *cable election deadlines under the plan, and*

16 “(B) *any document requested by such par-*
17 *ticipant which the participant would be entitled*
18 *to receive without regard to this subsection.*

19 “(2) *UNENROLLED PARTICIPANT.*—*For purposes*
20 *of this subsection, the term ‘unenrolled participant’*
21 *means an employee who—*

22 “(A) *is eligible to participate in a defined*
23 *contribution plan,*

24 “(B) *has received all required notices, dis-*
25 *closures, and other plan documents required to be*

1 *furnished under this title and the summary plan*
2 *description as provided in section 104(b) of the*
3 *Employee Retirement Income Security Act of*
4 *1974 in connection with such participant's ini-*
5 *tial eligibility to participate in such plan,*

6 *“(C) is not participating in such plan, and*

7 *“(D) does not have a balance in the plan.*

8 *For purposes of this subsection, any eligibility to par-*
9 *ticipate in the plan following any period for which*
10 *such employee was not eligible to participate shall be*
11 *treated as initial eligibility.*

12 *“(3) ANNUAL REMINDER NOTICE.—For purposes*
13 *of this subsection, the term ‘annual reminder notice’*
14 *means the notice described in section 111(c) of the*
15 *Employee Retirement Income Security Act of 1974.”.*

16 ***(b) AMENDMENT OF EMPLOYEE RETIREMENT INCOME***
17 ***SECURITY ACT OF 1974.—***

18 ***(1) IN GENERAL.—Part 1 of subtitle B of sub-***
19 ***chapter I of the Employee Retirement Income Secu-***
20 ***rity Act of 1974 is amended by redesignating section***
21 ***111 as section 112 and by inserting after section 110***
22 ***the following new section:***

1 **“SEC. 111. ELIMINATING UNNECESSARY PLAN REQUIRE-**
2 **MENTS RELATED TO UNENROLLED PARTICI-**
3 **PANTS.**

4 “(a) *IN GENERAL.*—Notwithstanding any other provi-
5 sion of this title, with respect to any individual account
6 plan, no disclosure, notice, or other plan document (other
7 than the notices and documents described in paragraphs (1)
8 and (2)) shall be required to be furnished under this title
9 to any unenrolled participant if the unenrolled participant
10 receives—

11 “(1) *an annual reminder notice of such partici-*
12 *part’s eligibility to participate in such plan and any*
13 *applicable election deadlines under the plan; and*

14 “(2) *any document requested by such participant*
15 *which the participant would be entitled to receive*
16 *without regard to this section.*

17 “(b) *UNENROLLED PARTICIPANT.*—For purposes of
18 this section, the term ‘unenrolled participant’ means an em-
19 ployee who—

20 “(1) *is eligible to participate in an individual*
21 *account plan;*

22 “(2) *has received all required notices, disclosures,*
23 *and other plan documents, including the summary*
24 *plan description, required to be furnished under this*
25 *title in connection with such participant’s initial eli-*
26 *gibility to participate in such plan;*

1 “(3) is not participating in such plan; and

2 “(4) does not have a balance in the plan.

3 *For purposes of this section, any eligibility to participate*
4 *in the plan following any period for which such employee*
5 *was not eligible to participate shall be treated as initial*
6 *eligibility.*

7 “(c) *ANNUAL REMINDER NOTICE.—For purposes of*
8 *this section, the term ‘annual reminder notice’ means a no-*
9 *tice provided in accordance with section 2520.104b-1 of*
10 *title 29, Code of Federal Regulations (or any successor regu-*
11 *lation), which—*

12 “(1) *is furnished in connection with the annual*
13 *open season election period with respect to the plan*
14 *or, if there is no such period, is furnished within a*
15 *reasonable period prior to the beginning of each plan*
16 *year;*

17 “(2) *notifies the unenrolled participant of—*

18 “(A) *the unenrolled participant’s eligibility*
19 *to participate in the plan; and*

20 “(B) *the key benefits under the plan and the*
21 *key rights and features under the plan affecting*
22 *such benefits; and*

23 “(3) *provides such information in a prominent*
24 *manner calculated to be understood by the average*
25 *participant.”.*

1 (2) *CLERICAL AMENDMENT.*—*The table of con-*
 2 *tents in section 1 of the Employee Retirement Income*
 3 *Security Act of 1974 is amended by striking the item*
 4 *relating to section 111 and by inserting after the item*
 5 *relating to section 110 the following new items:*

“*Sec. 111. Eliminating unnecessary plan requirements related to unenrolled par-*
ticipants.”

“*Sec. 112. Repeal and effective date.*”.

6 (c) *EFFECTIVE DATE.*—*The amendments made by this*
 7 *section shall apply to plan years beginning after December*
 8 *31, 2021.*

9 **SEC. 306. RETIREMENT SAVINGS LOST AND FOUND.**

10 (a) *RETIREMENT SAVINGS LOST AND FOUND.*—

11 (1) *ESTABLISHMENT.*—

12 (A) *IN GENERAL.*—*Not later than 3 years*
 13 *after the date of the enactment of this Act, the*
 14 *Secretary of Labor, the Secretary of the Treas-*
 15 *ury, and the Secretary of Commerce, in coopera-*
 16 *tion, shall establish an online searchable data-*
 17 *base (to be managed by the Pension Benefit*
 18 *Guaranty Corporation in accordance with sec-*
 19 *tion 4051 of the Employee Retirement Income*
 20 *Security Act of 1974) to be known as the “Re-*
 21 *irement Savings Lost and Found”. The Retire-*
 22 *ment Savings Lost and Found shall—*

23 (i) *allow an individual to search for*
 24 *information that enables the individual to*

1 *locate the plan administrator of any plans*
2 *with respect to which the individual is or*
3 *was a participant or beneficiary, and to*
4 *provide contact information for the plan*
5 *administrator of any plan described in sub-*
6 *paragraph (B);*

7 *(ii) allow the corporation to assist such*
8 *an individual in locating any plan of the*
9 *individual; and*

10 *(iii) allow the corporation to make any*
11 *necessary changes to contact information on*
12 *record for the plan administrator based on*
13 *any changes to the plan due to merger or*
14 *consolidation of the plan with any other*
15 *plan, division of the plan into two or more*
16 *plans, bankruptcy, termination, change in*
17 *name of the plan, change in name or ad-*
18 *dress of the plan administrator, or other*
19 *causes.*

20 *The Retirement Savings Lost and Found estab-*
21 *lished under this paragraph shall include infor-*
22 *mation reported under section 4051 of the Em-*
23 *ployee Retirement Income Security Act of 1974*
24 *and other relevant information obtained by the*
25 *Pension Benefit Guaranty Corporation.*

1 (B) *PLANS DESCRIBED.*—A plan described
2 in this subparagraph is a plan to which the vest-
3 ing standards of section 203 of part 2 of subtitle
4 B of title I of the Employee Retirement Income
5 Security Act of 1974 apply.

6 (2) *ADMINISTRATION.*—The Retirement Savings
7 Lost and Found established under paragraph (1)
8 shall provide individuals described in paragraph
9 (1)(A) only with the ability to view contact informa-
10 tion for the plan administrator of any plan with re-
11 spect to which the individual is or was a participant
12 or beneficiary, sufficient to allow the individual to lo-
13 cate the individual’s plan in order to recover any
14 benefit owing to the individual under the plan.

15 (3) *SAFEGUARDING PARTICIPANT PRIVACY AND*
16 *SECURITY.*—In establishing the Retirement Savings
17 Lost and Found under paragraph (1), the Pension
18 Benefit Guaranty Corporation, in consultation with
19 the Secretary of Labor, the Secretary of Treasury,
20 and the Secretary of Commerce, shall take all nec-
21 essary and proper precautions to ensure that individ-
22 uals’ plan information maintained by the Retirement
23 Savings Lost and Found is protected and that per-
24 sons other than the individual cannot fraudulently
25 claim the benefits to which any individual is entitled,

1 *and to allow any individual to opt out of inclusion*
 2 *in the Retirement Savings Lost and Found at the*
 3 *election of the individual.*

4 ***(b) OFFICE OF THE RETIREMENT SAVINGS LOST AND***
 5 ***FOUND.—***

6 ***(1) IN GENERAL.—****Subtitle C of title IV of the*
 7 *Employee Retirement Income Security Act of 1974*
 8 *(29 U.S.C. 1341 et seq.) is amended by adding at the*
 9 *end the following:*

10 ***“SEC. 4051. OFFICE OF THE RETIREMENT SAVINGS LOST***
 11 ***AND FOUND.***

12 ***“(a) ESTABLISHMENT; RESPONSIBILITIES OF OF-***
 13 ***FICE.—***

14 ***“(1) IN GENERAL.—****Not later than 2 years after*
 15 *the date of the enactment of this section, the Secretary*
 16 *of Labor, the Secretary of Treasury, and the Sec-*
 17 *retary of Commerce shall establish within the cor-*
 18 *poration an Office of the Retirement Savings Lost*
 19 *and Found (in this section referred to as the ‘Office’).*

20 ***“(2) RESPONSIBILITIES OF OFFICE.—***

21 ***“(A) IN GENERAL.—****The Office shall—*

22 ***“(i) carry out subsection (b) of this sec-***
 23 ***tion;***

24 ***“(ii) maintain the Retirement Savings***
 25 ***Lost and Found established under section***

1 *306(a) of the Securing a Strong Retirement*
2 *Act of 2021; and*

3 *“(iii) perform an annual audit of plan*
4 *information contained in the Retirement*
5 *Savings Lost and Found and ensure that*
6 *such information is current and accurate.*

7 *“(B) OPTION TO CONTRACT.—*

8 *“(i) IN GENERAL.—Not later than 2*
9 *years after the date of enactment of this sec-*
10 *tion, the corporation shall conduct an anal-*
11 *ysis of the cost effectiveness of contracting*
12 *with a third party to carry out the respon-*
13 *sibilities under subparagraph (A)(iii) and,*
14 *upon a determination that such contracting*
15 *would be more cost effective than carrying*
16 *out such responsibilities within the Office,*
17 *the corporation may enter into such con-*
18 *tracts as merited by such analysis.*

19 *“(ii) REPORT.—The corporation shall*
20 *report on the results of the analysis under*
21 *clause (i) to the Committees on Finance and*
22 *Health, Education, Labor, and Pensions of*
23 *the Senate and the Committees on Ways*
24 *and Means and Education and Labor of the*
25 *House of Representatives.*

1 “(b) *CERTAIN NON-RESPONSIVE PARTICIPANTS ENTI-*
2 *TLED TO SMALL BENEFITS.—*

3 “(1) *GENERAL RULE.—*

4 “(A) *TRANSFER TO THE OFFICE OF THE*
5 *RETIREMENT SAVINGS LOST AND FOUND.—The*
6 *administrator of a plan that is not terminated*
7 *and to which section 401(a)(31)(B) of the Inter-*
8 *nal Revenue Code of 1986 applies shall transfer*
9 *to the Office the amount required to be trans-*
10 *ferred under section 401(a)(31)(B)(iv) of such*
11 *Code for a non-responsive participant.*

12 “(B) *INFORMATION AND PAYMENT TO THE*
13 *OFFICE.—Upon making a transfer under sub-*
14 *paragraph (A), the plan administrator shall pro-*
15 *vide such information and certifications as the*
16 *Office shall specify, including with respect to the*
17 *transferred amount and the non-responsive par-*
18 *ticipant.*

19 “(C) *INFORMATION REQUIREMENTS AFTER*
20 *TRANSFER.—In the event that, after a transfer is*
21 *made under subparagraph (A), the relevant non-*
22 *responsive participant contacts the plan admin-*
23 *istrator or the plan administrator discovers in-*
24 *formation that may assist the Office in locating*
25 *the non-responsive participant, the plan admin-*

1 *istrator shall notify and provide such informa-*
2 *tion as the Office shall specify to the Office.*

3 *“(D) SEARCH AND PAYMENT BY THE OF-*
4 *FICE FOLLOWING TRANSFER.—The Office shall*
5 *periodically, and upon receiving information de-*
6 *scribed in subparagraph (C), conduct a search*
7 *for the non-responsive participant for whom the*
8 *Office has received a transfer under subpara-*
9 *graph (A). Upon location of a non-responsive*
10 *participant who claims benefits, the Office shall*
11 *make a single payment to the non-responsive*
12 *participant in an amount equal to the sum of—*

13 *“(i) the amount transferred to the Of-*
14 *fice under subparagraph (A) for such par-*
15 *ticipant; and*

16 *“(ii) the return on the investment at-*
17 *tributable to such amount under section*
18 *4005(j)(3).*

19 *“(2) DEFINITION.—For purposes of this sub-*
20 *section, the term ‘non-responsive participant’ means a*
21 *participant or beneficiary of a plan described in*
22 *paragraph (1)(A)—*

23 *“(A) who is entitled to a benefit subject to*
24 *a mandatory transfer under section*

1 401(a)(31)(B)(iii) of the Internal Revenue Code
2 of 1986; and

3 “(B) for whom the plan has satisfied the
4 conditions in section 401(a)(31)(B)(iv) of such
5 Code.

6 “(3) *REGULATORY AUTHORITY.*—The Office shall
7 prescribe such regulations as are necessary to carry
8 out the purposes of this section, including rules relat-
9 ing to the amount payable to the Office and the
10 amount to be paid by the Office.

11 “(c) *INFORMATION COLLECTION.*—Within such period
12 after the end of a plan year as the Office may by regulations
13 prescribe, the administrator of a plan to which the vesting
14 standards of section 203 apply shall submit the following
15 information, and such other information as the corporation
16 may require, to the corporation in such form as the corpora-
17 tion may require:

18 “(1) The information described in paragraphs
19 (1) through (4) of section 6057(b) of the Internal Rev-
20 enue Code of 1986.

21 “(2) The information described in subparagraphs
22 (A), (B), (E), and (F) of section 6057(a)(2) of the In-
23 ternal Revenue Code of 1986.

24 “(d) *EFFECTIVE DATE.*—The requirements of sub-
25 sections (b) and (c) shall apply with respect to plan years

1 *beginning after the second December 31 occurring after the*
2 *date of the enactment of this section.*

3 “(e) *AUTHORIZATION OF APPROPRIATIONS.—There are*
4 *authorized to be appropriated such sums as may be nec-*
5 *essary to carry out this section.”.*

6 (2) *ESTABLISHMENT OF FUND FOR TRANS-*
7 *FERRED ASSETS.—Section 4005 of the Employee Re-*
8 *irement Income Security Act of 1974 (29 U.S.C.*
9 *1305) is amended by adding at the end the following:*
10 “(j)(1) *A ninth fund shall be established for the pay-*
11 *ment of benefits under section 4051(b)(1)(D).*

12 “(2) *Such fund shall be credited with the appro-*
13 *priate—*

14 “(A) *amounts transferred to the Office of the Re-*
15 *irement Savings Lost and Found under section*
16 *4051(b)(1)(A); and*

17 “(B) *earnings on investments of the fund or on*
18 *assets credited to the fund.*

19 “(3) *Whenever the corporation determines that the*
20 *moneys of any fund are in excess of current needs, it may*
21 *request the investment of such amounts as it determines ad-*
22 *visable by the Secretary of the Treasury in obligations*
23 *issued or guaranteed by the United States.”.*

24 (3) *CONFORMING AMENDMENT.—The table of*
25 *contents for the Employee Retirement Income Secu-*

1 *rity Act of 1974 (29 U.S.C. 1001 et seq.) is amended*
2 *by inserting after the matter relating to section 4050*
3 *the following:*

 “*Sec. 4051. Certain non-responsive participants entitled to small benefits.*”.

4 (c) *MANDATORY TRANSFERS OF ROLLOVER DISTRIBUTIONS.—*
5

6 (1) *INVESTMENT OPTIONS.—*

7 (A) *IN GENERAL.—Subparagraph (B) of*
8 *section 404(c)(3) of the Employee Retirement In-*
9 *come Security Act of 1974 (29 U.S.C.*
10 *1104(c)(3)) is amended by striking the period at*
11 *the end and inserting “, and, to the extent the*
12 *Secretary provides in guidance or regulations*
13 *issued after the enactment of the Securing a*
14 *Strong Retirement Act of 2021, is made to—*

15 “*(i) a target date or life cycle fund*
16 *held under such account;*

17 “*(ii) as described in section*
18 *2550.404a–2 of title 29, Code of Federal*
19 *Regulations, an investment product held*
20 *under such account designed to preserve*
21 *principal and provide a reasonable rate of*
22 *return;*

23 “*(iii) the Office of the Retirement Sav-*
24 *ings Lost and Found in accordance with*
25 *section 401(a)(31)(B)(iv) of the Internal*

1 *Revenue Code of 1986 and section*
2 *306(c)(2)(A)(ii) of the Securing a Strong*
3 *Retirement Act of 2020; or*

4 “(iv) such other option as the Sec-
5 retary may so provide.”.

6 (B) *REGULATIONS.*—Not later than 270
7 days after the date of the enactment of this Act,
8 the Secretary of Labor shall promulgate regula-
9 tions identifying the target date or life cycle
10 funds, or specifying the characteristics of such a
11 fund, that will be deemed to meet the require-
12 ments of section 404(c)(3)(B)(i) of the *Employee*
13 *Retirement Income Security Act of 1974* (29
14 *U.S.C. 1104(c)(3)(B)*), as amended by subpara-
15 graph (A).

16 (2) *EXPANSION OF CAP; AUTHORITY TO TRANS-*
17 *FER LESSER AMOUNTS.*—

18 (A) *CAP.*—Sections 401(a)(31)(B)(ii) and
19 411(a)(11)(A) of the *Internal Revenue Code of*
20 1986 and section 203(e)(1) of the *Employee Re-*
21 *tirement Income Security Act of 1974* are each
22 amended by striking “\$5,000” and inserting
23 “\$6,000”.

24 (B) *DISTRIBUTION OF LARGER AMOUNTS TO*
25 *INDIVIDUAL RETIREMENT PLANS ONLY.*—Section

1 401(a)(31)(B)(i) of such Code is amended by
2 adding at the end the following: “The Office of
3 the Retirement Savings Lost and Found estab-
4 lished by section 306 of the Securing a Strong
5 Retirement Act shall not be treated as a trustee
6 or issuer that is eligible to receive such distribu-
7 tions.”.

8 (C) LESSER AMOUNTS.—Section
9 401(a)(31)(B) of such Code is amended by add-
10 ing at the end the following new clauses:

11 “(iii) TREATMENT OF LESSER
12 AMOUNTS.—In the case of a trust which is
13 part of an eligible plan, such trust shall not
14 be a qualified trust under this section unless
15 such plan provides that, if a participant in
16 the plan separates from the service covered
17 by the plan and the nonforfeitable accrued
18 benefit described in clause (ii) is not in ex-
19 cess of \$1,000, the plan administrator shall
20 (either separately or as part of the notice
21 under section 402(f)) notify the participant
22 that the participant is entitled to such ben-
23 efit or attempt to pay the benefit directly to
24 the participant.

1 “(iv) *TRANSFERS TO RETIREMENT SAV-*
2 *INGS LOST AND FOUND.—If, after a plan*
3 *administrator takes the action required*
4 *under clause (iii), the participant does*
5 *not—*

6 “(I) *within 6 months of the notifi-*
7 *cation under such clause, make an elec-*
8 *tion under subparagraph (A) or elect*
9 *to receive a distribution of the benefit*
10 *directly, or*

11 “(II) *accept any direct payment*
12 *made under such clause within 6*
13 *months of the attempted payment,*
14 *the plan administrator shall transfer the*
15 *amount of such benefit to the Office of the*
16 *Retirement Savings Lost and Found in ac-*
17 *cordance with section 4051(b) of the Em-*
18 *ployee Retirement Income Security Act of*
19 *1974.*

20 “(v) *INCOME TAX TREATMENT OF*
21 *TRANSFERS TO RETIREMENT SAVINGS LOST*
22 *AND FOUND.—For purposes of determining*
23 *the income tax treatment of transfers to the*
24 *Office of the Retirement Savings Lost and*
25 *Found under clause (iv)—*

1 “(I) such a transfer shall be treat-
2 ed as a transfer to an individual re-
3 tirement plan under clause (i), and

4 “(II) the distribution of such
5 amounts by the Office of the Retire-
6 ment Savings Lost and Found shall be
7 treated as a distribution from an indi-
8 vidual retirement plan.”.

9 (D) *EFFECTIVE DATE.*—The amendments
10 made by this paragraph shall apply to vested
11 benefits with respect to participants who sepa-
12 rate from service connected to the plan in plan
13 years beginning after the second December 31 oc-
14 curring after the date of the enactment of this
15 Act.

16 (d) *BETTER REPORTING FOR MANDATORY TRANS-*
17 *FERS.*—

18 (1) *IN GENERAL.*—Paragraph (2) of section
19 6057(a) of the Internal Revenue Code of 1986 is
20 amended—

21 (A) in subparagraph (C)—

22 (i) by striking “during such plan
23 year” in clause (i) and inserting “during
24 the plan year immediately preceding such
25 plan year”;

1 (ii) by adding “and” at the end of
2 clause (i); and

3 (iii) by striking clause (iii);

4 (B) by redesignating subparagraph (E) as
5 subparagraph (G);

6 (C) by striking “and” at the end of sub-
7 paragraph (D); and

8 (D) by inserting after subparagraph (D) the
9 following new subparagraphs:

10 “(E) the name and taxpayer identifying
11 number of each participant or former partici-
12 pant in the plan—

13 “(i) who, during the current plan year
14 or any previous plan year, was reported
15 under subparagraph (C), and with respect
16 to whom the benefits described in subpara-
17 graph (C)(ii) were fully paid during the
18 plan year,

19 “(ii) with respect to whom any amount
20 was distributed under section 401(a)(31)(B)
21 during the plan year, or

22 “(iii) with respect to whom a deferred
23 annuity contract was distributed during the
24 plan year,

1 “(F) in the case of a participant or former
2 participant to whom subparagraph (E) ap-
3 plies—

4 “(i) in the case of a participant de-
5 scribed in clause (ii) thereof, the name and
6 address of the designated trustee or issuer
7 described in section 401(a)(31)(B)(i) and
8 the account number of the individual retire-
9 ment plan to which the amount was distrib-
10 uted, and

11 “(ii) in the case of a participant de-
12 scribed in clause (iii) thereof, the name and
13 address of the issuer of such annuity con-
14 tract and the contract or certificate number,
15 and”.

16 (2) *RULES RELATING TO DIRECT TRUSTEE-TO-*
17 *TRUSTEE TRANSFERS.—*

18 (A) *IN GENERAL.—*Paragraph (6) of section
19 402(e) of such Code is amended—

20 (i) by striking “*TRANSFERS.—Any*”
21 and inserting “*TRANSFERS.—*

22 “(A) *IN GENERAL.—Any*”; and

23 (ii) by adding at the end the following
24 new subparagraph:

1 “(B) *NOTIFICATION OF TRUSTEE.*—*In the*
2 *case of a distribution under section*
3 *401(a)(31)(B), the plan administrator shall no-*
4 *tify the designated trustee or issuer described in*
5 *clause (i) thereof that the transfer is a manda-*
6 *tory distribution required by such section.”.*

7 (B) *PENALTY.*—*Subsection (i) of section*
8 *6652 of such Code is amended—*

9 *(i) by striking “TO RECIPIENTS” in the*
10 *heading and inserting “OR NOTIFICATION”;*

11 *(ii) by striking “402(f),” and inserting*
12 *“402(f) or a notification as required by sec-*
13 *tion 402(e)(6)(B),”;* and

14 *(iii) by striking “such written expla-*
15 *nation” and inserting “such written expla-*
16 *nation or notification”.*

17 (C) *REPORTS.*—*Subsection (i) of section*
18 *408 of such Code is amended—*

19 *(i) by redesignating subparagraphs (A)*
20 *and (B) of paragraph (2) as clauses (i) and*
21 *(ii), respectively, and by moving such*
22 *clauses 2 ems to the right;*

23 *(ii) by redesignating paragraphs (1)*
24 *and (2) as subparagraphs (A) and (B), re-*

1 *spectively, and by moving such subpara-*
2 *graphs 2 ems to the right;*

3 *(iii) by striking “as the Secretary pre-*
4 *scribes” in subparagraph (B)(ii), as so re-*
5 *designated, and all that follows through “a*
6 *simple retirement account” and inserting*
7 *“as the Secretary prescribes.*

8 “(3) *SIMPLE RETIREMENT ACCOUNTS.—In the*
9 *case of a simple retirement account”;*

10 *(iv) by striking “REPORTS.—The*
11 *trustee of” and inserting “REPORTS.—*

12 *“(1) IN GENERAL.—The trustee of”;*

13 *(v) by striking “under paragraph (2)”*
14 *in paragraph (3), as designated by clause*
15 *(iii), and inserting “under paragraph*
16 *(1)(B)”;* and

17 *(vi) by inserting after paragraph*
18 *(1)(B)(ii), as redesignated by the preceding*
19 *clauses, the following new paragraph:*

20 “(2) *MANDATORY DISTRIBUTIONS.—In the case*
21 *of an account, contract, or annuity to which a trans-*
22 *fer under section 401(a)(31)(B) is made (including a*
23 *transfer from the individual retirement plan to which*
24 *the original transfer under such section was made to*
25 *another individual retirement plan), the report re-*

1 *quired by this subsection for the year of the transfer*
2 *and any year in which the information previously re-*
3 *ported in subparagraph (B) changes shall—*

4 *“(A) identify such transfer as a mandatory*
5 *distribution required by such section,*

6 *“(B) include the name, address, and tax-*
7 *payer identifying number of the trustee or issuer*
8 *of the individual retirement plan to which the*
9 *amount is transferred, and*

10 *“(C) be filed with the Pension Benefit*
11 *Guaranty Corporation as well as with the Sec-*
12 *retary.”.*

13 *(3) NOTIFICATION OF PARTICIPANTS UPON SEPA-*
14 *RATION.—Subsection (e) of section 6057 of such Code*
15 *is amended by inserting “, and, with respect to any*
16 *benefit of the individual subject to section*
17 *401(a)(31)(B), a notice of availability of, and the*
18 *contact information for, the Retirement Savings Lost*
19 *and Found established under section 306(a)(1) of the*
20 *Securing a Strong Retirement Act of 2021” before the*
21 *period at the end of the second sentence.*

22 *(4) EFFECTIVE DATE.—The amendments made*
23 *by this paragraph shall apply to distributions made*
24 *in, and returns and reports relating to, years begin-*

1 *ning after the second December 31 occurring after the*
2 *date of the enactment of this Act.*

3 *(e) REQUIREMENT OF ELECTRONIC FILING.—*

4 *(1) IN GENERAL.—Paragraph (2) of section*
5 *6011(e) of the Internal Revenue Code of 1986 is*
6 *amended—*

7 *(A) by redesignating subparagraphs (A)*
8 *and (B) as clauses (i) and (ii), respectively, and*
9 *by moving such clauses 2 ems to the right;*

10 *(B) by striking “REGULATIONS.—In pre-*
11 *scribing” and inserting “REGULATIONS.—*

12 *“(A) IN GENERAL.—In prescribing”; and*

13 *(C) by adding at the end the following new*
14 *subparagraph:*

15 *“(B) EXCEPTIONS.—Notwithstanding sub-*
16 *paragraph (A), the Secretary shall require re-*
17 *turns or reports required under—*

18 *“(i) sections 6057, 6058, and 6059,*

19 *and*

20 *“(ii) sections 408(i), 6041, and 6047 to*

21 *the extent such return or report relates to*

22 *the tax treatment of a distribution from a*

23 *plan, account, contract, or annuity,*

24 *to be filed on magnetic media, but only with re-*

25 *spect to persons who are required to file at least*

1 50 returns during the calendar year which in-
2 cludes the first day of the plan year to which
3 such returns or reports relate.”.

4 (2) *EFFECTIVE DATE.*—The amendments made
5 by this paragraph shall apply to returns and reports
6 relating to years beginning after the second December
7 31 occurring after the date of the enactment of this
8 Act.

9 (f) *RULEMAKING TO CLARIFY FIDUCIARY DUTIES.*—

10 (1) *REQUEST FOR INFORMATION.*—Not later
11 than 1 year after the date of enactment of this Act,
12 the Secretary of Labor, in consultation with the Sec-
13 retary of the Treasury, shall issue a request for infor-
14 mation relating to the rulemaking described in para-
15 graph (2).

16 (2) *ISSUANCE OF FINAL RULE.*—Not later than 3
17 years after such date, the Secretary of Labor, in con-
18 sultation with the Secretary of the Treasury, shall
19 issue a final rule that defines the following:

20 (A) The steps a plan sponsor must take to
21 locate a deferred vested participant in order to
22 meet its fiduciary duty under section 404 of the
23 Employee Retirement Income Security Act of
24 1974 with respect to locating that participant.

1 (B) *The ongoing practices and procedures a*
2 *plan sponsor must institute in order to meet*
3 *such fiduciary duty with respect to maintaining*
4 *up-to-date contact information on deferred vested*
5 *participants.*

6 **SEC. 307. EXPANSION OF EMPLOYEE PLANS COMPLIANCE**
7 **RESOLUTION SYSTEM.**

8 (a) *IN GENERAL.—Except as otherwise provided in the*
9 *Internal Revenue Code of 1986 or regulations prescribed by*
10 *the Secretary of the Treasury or the Secretary’s delegate (re-*
11 *ferred to in this section as the “Secretary”), any eligible*
12 *inadvertent failure to comply with the rules applicable*
13 *under section 401(a), 403(a), 403(b), 408(p), or 408(k) of*
14 *such Code may be self-corrected under the Employee Plans*
15 *Compliance Resolution System (as described in Revenue*
16 *Procedure 2019–19 or any successor guidance and hereafter*
17 *in this section referred to as the “EPCRS”), except to the*
18 *extent that such failure was identified by the Secretary*
19 *prior to any actions which demonstrate a commitment to*
20 *implement a self-correction. Revenue Procedure 2019–19 is*
21 *deemed amended as of the date of the enactment of this Act*
22 *to provide that the correction period under section 9.02 of*
23 *such Revenue Procedure (or any successor guidance) for an*
24 *eligible inadvertent failure, except as otherwise provided*
25 *under such Code or in regulations prescribed by the Sec-*

1 *retary, is indefinite and has no last day, other than with*
2 *respect to failures identified by the Secretary prior to any*
3 *self-correction as described in the preceding sentence.*

4 *(b) LOAN ERRORS.—In the case of an eligible inad-*
5 *vertent failure relating to a loan from a plan to a partici-*
6 *pant—*

7 *(1) such failure may be self-corrected under sub-*
8 *section (a) according to the rules of section 6.07 of*
9 *Revenue Procedure 2019–19 (or any successor guid-*
10 *ance), including the provisions related to whether a*
11 *deemed distribution must be reported on Form 1099–*
12 *R, and*

13 *(2) the Secretary of Labor shall treat any such*
14 *failure which is so self-corrected under subsection (a)*
15 *as meeting the requirements of the Voluntary Fidu-*
16 *ciary Correction Program of the Department of Labor*
17 *if, with respect to the violation of the fiduciary stand-*
18 *ards of the Employee Retirement Income Security Act*
19 *of 1974, there is a similar loan error eligible for cor-*
20 *rection under EPCRS and the loan error is corrected*
21 *in such manner.*

22 *(c) EPCRS FOR IRAS.—The Secretary shall expand*
23 *the EPCRS to allow custodians of individual retirement*
24 *plans (as defined in section 7701(a)(37) of the Internal*
25 *Revenue Code of 1986) to address eligible inadvertent fail-*

1 ures with respect to an individual retirement plan (as so
2 defined), including (but not limited to)—

3 (1) waivers of the excise tax which would other-
4 wise apply under section 4974 of the Internal Rev-
5 enue Code of 1986,

6 (2) under the self-correction component of the
7 EPCRS, waivers of the 60-day deadline for a rollover
8 where the deadline is missed for reasons beyond the
9 reasonable control of the account owner, and

10 (3) rules permitting a nonspouse beneficiary to
11 return distributions to an inherited individual retire-
12 ment plan described in section 408(d)(3)(C) of the In-
13 ternal Revenue Code of 1986 in a case where, due to
14 an inadvertent error by a service provider, the bene-
15 ficiary had reason to believe that the distribution
16 could be rolled over without inclusion in income of
17 any part of the distributed amount.

18 (d) *ADDITIONAL SAFE HARBORS.*—The Secretary shall
19 expand the EPCRS to provide additional safe harbor means
20 of correcting eligible inadvertent failures described in sub-
21 section (a), including safe harbor means of calculating the
22 earnings which must be restored to a plan in cases where
23 plan assets have been depleted by reason of an eligible inad-
24 vertent failure.

1 (e) *ELIGIBLE INADVERTENT FAILURE.*—For purposes
2 of this section—

3 (1) *IN GENERAL.*—Except as provided in para-
4 graph (2), the term “eligible inadvertent failure”
5 means a failure that occurs despite the existence of
6 practices and procedures which—

7 (A) satisfy the standards set forth in section
8 4.04 of Revenue Procedure 2019–19 (or any suc-
9 cessor guidance), or

10 (B) satisfy similar standards in the case of
11 an individual retirement plan.

12 (2) *EXCEPTION.*—The term “eligible inadvertent
13 failure” shall not include any failure which is egre-
14 gious, relates to the diversion or misuse of plan assets,
15 or is directly or indirectly related to an abusive tax
16 avoidance transaction.

17 (f) *APPLICATION OF CERTAIN REQUIREMENTS FOR*
18 *CORRECTING ERRORS.*—This section shall not apply to any
19 failure unless the correction of such failure under this sec-
20 tion is made in conformity with the general principles that
21 apply to corrections of such failures under the Internal Rev-
22 enue Code of 1986, including regulations or other guidance
23 issued thereunder and including those principles and cor-
24 rections set forth in Revenue Procedure 2019–19 (or any
25 successor guidance).”

1 **SEC. 308. ELIMINATE THE “FIRST DAY OF THE MONTH” RE-**
2 **QUIREMENT FOR GOVERNMENTAL SECTION**
3 **457(B) PLANS.**

4 (a) *IN GENERAL.*—Paragraph (4) of section 457(b) of
5 the Internal Revenue Code of 1986 is amended to read as
6 follows:

7 “(4) which provides that compensation—

8 “(A) in the case of an eligible employer de-
9 scribed in subsection (e)(1)(A), will be deferred
10 only if an agreement providing for such deferral
11 has been entered into before the compensation is
12 currently available to the individual, and

13 “(B) in any other case, will be deferred for
14 any calendar month only if an agreement pro-
15 viding for such deferral has been entered into be-
16 fore the beginning of such month.”.

17 (b) *EFFECTIVE DATE.*—The amendment made by this
18 section shall apply to taxable years beginning after the date
19 of the enactment of this Act.

20 **SEC. 309. ONE-TIME ELECTION FOR QUALIFIED CHARI-**
21 **TABLE DISTRIBUTION TO SPLIT-INTEREST**
22 **ENTITY; INCREASE IN QUALIFIED CHARI-**
23 **TABLE DISTRIBUTION LIMITATION.**

24 (a) *ONE-TIME ELECTION FOR QUALIFIED CHARITABLE*
25 *DISTRIBUTION TO SPLIT-INTEREST ENTITY.*—Section

1 408(d)(8) of such Code is amended by adding at the end
2 the following new subparagraph:

3 “(F) ONE-TIME ELECTION FOR QUALIFIED
4 CHARITABLE DISTRIBUTION TO SPLIT-INTEREST
5 ENTITY.—

6 “(i) IN GENERAL.—A taxpayer may
7 for a taxable year elect under this subpara-
8 graph to treat as meeting the requirement of
9 subparagraph (B)(i) any distribution from
10 an individual retirement account which is
11 made directly by the trustee to a split-inter-
12 est entity, but only if—

13 “(I) an election is not in effect
14 under this subparagraph for a pre-
15 ceding taxable year,

16 “(II) the aggregate amount of dis-
17 tributions of the taxpayer with respect
18 to which an election under this sub-
19 paragraph is made does not exceed
20 \$50,000, and

21 “(III) such distribution meets the
22 requirements of clauses (iii) and (iv).

23 “(ii) SPLIT-INTEREST ENTITY.—For
24 purposes of this subparagraph, the term
25 ‘split-interest entity’ means—

1 “(I) a charitable remainder annu-
2 ity trust (as defined in section
3 664(d)(1)), but only if such trust is
4 funded exclusively by qualified chari-
5 table distributions,

6 “(II) a charitable remainder
7 unitrust (as defined in section
8 664(d)(2)), but only if such unitrust is
9 funded exclusively by qualified chari-
10 table distributions, or

11 “(III) a charitable gift annuity
12 (as defined in section 501(m)(5)), but
13 only if such annuity is funded exclu-
14 sively by qualified charitable distribu-
15 tions and commences fixed payments of
16 5 percent or greater not later than 1
17 year from the date of funding.

18 “(iii) CONTRIBUTIONS MUST BE OTH-
19 ERWISE DEDUCTIBLE.—A distribution
20 meets the requirement of this clause only
21 if—

22 “(I) in the case of a distribution
23 to a charitable remainder annuity
24 trust or a charitable remainder uni-
25 trust, a deduction for the entire value

1 of the remainder interest in the dis-
2 tribution for the benefit of a specified
3 charitable organization would be al-
4 lowable under section 170 (determined
5 without regard to subsection (b) thereof
6 and this paragraph), and

7 “(II) in the case of a charitable
8 gift annuity, a deduction in an
9 amount equal to the amount of the dis-
10 tribution reduced by the value of the
11 annuity described in section
12 501(m)(5)(B) would be allowable under
13 section 170 (determined without regard
14 to subsection (b) thereof and this para-
15 graph).

16 “(iv) *LIMITATION ON INCOME INTER-*
17 *ESTS.—A distribution meets the require-*
18 *ments of this clause only if—*

19 “(I) no person holds an income
20 interest in the split-interest entity
21 other than the individual for whose
22 benefit such account is maintained, the
23 spouse of such individual, or both, and

24 “(II) the income interest in the
25 split-interest entity is nonassignable.

1 “(v) *SPECIAL RULES.*—

2 “(I) *CHARITABLE REMAINDER*
3 *TRUSTS.*—*Notwithstanding section*
4 *664(b), distributions made from a trust*
5 *described in subclause (I) or (II) of*
6 *clause (i) shall be treated as ordinary*
7 *income in the hands of the beneficiary*
8 *to whom the annuity described in sec-*
9 *tion 664(d)(1)(A) or the payment de-*
10 *scribed in section 664(d)(2)(A) is paid.*

11 “(II) *CHARITABLE GIFT ANNU-*
12 *ITIES.*—*Qualified charitable distribu-*
13 *tions made to fund a charitable gift*
14 *annuity shall not be treated as an in-*
15 *vestment in the contract for purposes of*
16 *section 72(c).”.*

17 (b) *INFLATION ADJUSTMENT.*—*Section 408(d)(8) of*
18 *such Code, as amended by subsection (a), is amended by*
19 *adding at the end the following new subparagraph:*

20 “(G) *INFLATION ADJUSTMENT.*—

21 “(i) *IN GENERAL.*—*In the case of any*
22 *taxable year beginning after 2021, each of*
23 *the dollar amounts in subparagraphs (A)*
24 *and (F) shall be increased by an amount*
25 *equal to—*

1 “(I) such dollar amount, multi-
2 plied by

3 “(II) the cost-of-living adjustment
4 determined under section 1(f)(3) for
5 the calendar year in which the taxable
6 year begins, determined by substituting
7 ‘calendar year 2020’ for ‘calendar year
8 2016’ in subparagraph (A)(ii) thereof.

9 “(ii) *ROUNDING.*—If any dollar
10 amount increased under clause (i) is not a
11 multiple of \$1,000, such dollar amount shall
12 be rounded to the nearest multiple of
13 \$1,000.”.

14 (c) *EFFECTIVE DATE.*—The amendment made by this
15 section shall apply to distributions made in taxable years
16 ending after the date of the enactment of this Act.

17 **SEC. 310. DISTRIBUTIONS TO FIREFIGHTERS.**

18 (a) *IN GENERAL.*—Subparagraph (A) of section
19 72(t)(10) of the Internal Revenue Code of 1986 is amended
20 by striking “414(d)” and inserting “414(d) or a distribu-
21 tion from a plan described in clause (iii), (iv), or (vi) of
22 section 402(c)(8)(B) to an employee who provides fire-
23 fighting services”.

24 (b) *CONFORMING AMENDMENT.*—The heading of para-
25 graph (10) of section 72(t) of such Code is amended—

1 (1) by striking “QUALIFIED”, and

2 (2) by striking “IN GOVERNMENTAL PLANS”.

3 (c) *EFFECTIVE DATE.*—The amendments made by this
4 section shall apply to distributions made after December 31,
5 2021.

6 **SEC. 311. EXCLUSION OF CERTAIN DISABILITY-RELATED**
7 **FIRST RESPONDER RETIREMENT PAYMENTS.**

8 (a) *IN GENERAL.*—Part III of subchapter B of chapter
9 1 of the Internal Revenue Code of 1986 is amended by in-
10 serting after section 139B the following new section:

11 **“SEC. 139C. CERTAIN DISABILITY-RELATED FIRST RE-**
12 **SPONDER RETIREMENT PAYMENTS.**

13 “(a) *IN GENERAL.*—In the case of an individual who
14 receives qualified first responder retirement payments for
15 any taxable year, gross income shall not include so much
16 of such payments as do not exceed the annualized excludable
17 disability amount with respect to such individual.

18 “(b) *QUALIFIED FIRST RESPONDER RETIREMENT*
19 *PAYMENTS.*—For purposes of this section, the term ‘quali-
20 fied first responder retirement payments’ means, with re-
21 spect to any taxable year, any pension or annuity which
22 but for this section would be includible in gross income for
23 such taxable year and which is received—

24 “(1) from a plan described in clause (iii), (iv),
25 (v), or (vi) of section 402(c)(8)(B), and

1 “(2) *in connection with such individual’s quali-*
2 *fied first responder service.*

3 “(c) *ANNUALIZED EXCLUDABLE DISABILITY*
4 *AMOUNT.—For purposes of this section—*

5 “(1) *IN GENERAL.—The term ‘annualized exclud-*
6 *able disability amount’ means, with respect to any*
7 *individual, the service-connected excludable disability*
8 *amounts which are properly attributable to the 12-*
9 *month period immediately preceding the date on*
10 *which such individual attains retirement age.*

11 “(2) *SERVICE-CONNECTED EXCLUDABLE DIS-*
12 *ABILITY AMOUNT.—The term ‘service-connected ex-*
13 *cludable disability amount’ means periodic payments*
14 *received by an individual which—*

15 “(A) *are not includible in such individual’s*
16 *gross income under section 104(a)(1),*

17 “(B) *are received in connection with such*
18 *individual’s qualified first responder service, and*

19 “(C) *terminate when such individual at-*
20 *tains retirement age.*

21 “(3) *SPECIAL RULE FOR PARTIAL-YEAR PAY-*
22 *MENTS.—In the case of an individual who only re-*
23 *ceives service-connected excludable disability amounts*
24 *properly attributable to a portion of the 12-month pe-*
25 *riod described in paragraph (1), such paragraph shall*

1 *come tax return filed by the person on whom the*
2 *tax under such section is imposed for the year in*
3 *which the act (or failure to act) giving rise to the*
4 *liability for such tax occurred.*

5 “(B) *RULE IN CASE OF INDIVIDUALS NOT*
6 *REQUIRED TO FILE RETURN.—In the case of a*
7 *person who is not required to file an income tax*
8 *return for such year—*

9 “(i) *the return referred to in this sec-*
10 *tion shall be the income tax return that*
11 *such person would have been required to file*
12 *but for the fact that such person was not re-*
13 *quired to file such return, and*

14 “(ii) *the 3-year period referred to in*
15 *subsection (a) with respect to the return*
16 *shall be deemed to begin on the date by*
17 *which the return would have been required*
18 *to be filed (excluding any extension there-*
19 *of).”.*

20 **SEC. 313. REQUIREMENT TO PROVIDE PAPER STATEMENTS**
21 **IN CERTAIN CASES.**

22 (a) *IN GENERAL.—Section 105(a)(2) of the Employee*
23 *Retirement Income Security Act of 1974 (29 U.S.C.*
24 *1025(a)(2)) is amended—*

1 (1) in subparagraph (A)(iv), by inserting “sub-
2 ject to subparagraph (E),” before “may be delivered”;
3 and

4 (2) by adding at the end the following:

5 “(E) PROVISION OF PAPER STATEMENTS.—

6 With respect to at least 1 pension benefit state-
7 ment furnished for a calendar year with respect
8 to an individual account plan under paragraph
9 (1)(A), and with respect to at least 1 pension
10 benefit statement furnished every 3 calendar
11 years with respect to a defined benefit plan
12 under paragraph (1)(B), such statement shall be
13 furnished on paper in written form except—

14 “(i) in the case of a plan that furnishes
15 such statement in accordance with section
16 2520.104b-1(c) of title 29, Code of Federal
17 Regulations; or

18 “(ii) in the case of a plan that permits
19 a participant or beneficiary to request that
20 the statements referred to in the matter pre-
21 ceding clause (i) be furnished by electronic
22 delivery, if the participant or beneficiary
23 requests that such statements be delivered
24 electronically and the statements are so de-
25 livered.”.

1 **(b) IMPLEMENTATION.**—

2 **(1) IN GENERAL.**—*The Secretary of Labor shall,*
3 *not later than December 31, 2021, update section*
4 *2520.104b-1(c) of title 29, Code of Federal Regula-*
5 *tions, to provide that a plan may furnish the state-*
6 *ments referred to in subparagraph (E) of section*
7 *105(a)(2) by electronic delivery only if, in addition to*
8 *meeting the other requirements under the regula-*
9 *tions—*

10 **(A)** *such plan furnishes each participant or*
11 *beneficiary, including participants described in*
12 *subparagraph (B), a one-time initial notice on*
13 *paper in written form, prior to the electronic de-*
14 *livery of any pension benefit statement, of their*
15 *right to request that all documents required to be*
16 *disclosed under title I of the Employee Retirement*
17 *Income Security Act of 1974 be furnished*
18 *on paper in written form; and*

19 **(B)** *such plan furnishes each participant*
20 *who is separated from service with at least 1*
21 *pension benefit statement on paper in written*
22 *form for each calendar year, unless, on election*
23 *of the participant, the participant receives such*
24 *statements electronically.*

1 (2) *OTHER GUIDANCE.*—*In implementing the*
2 *amendment made by subsection (a) with respect to a*
3 *plan that discloses required documents or statements*
4 *electronically, in accordance with applicable guidance*
5 *governing electronic disclosure by the Department of*
6 *Labor (with the exception of section 2520.104b-1(c) of*
7 *title 29, Code of Federal Regulations), the Secretary*
8 *of Labor shall, not later than December 31, 2021, up-*
9 *date such guidance to the extent necessary to ensure*
10 *that—*

11 (A) *a participant or beneficiary under such*
12 *a plan is permitted the opportunity to request*
13 *that any disclosure required to be delivered on*
14 *paper under applicable guidance by the Depart-*
15 *ment of Labor shall be furnished by electronic*
16 *delivery;*

17 (B) *each paper statement furnished under*
18 *such a plan pursuant to the amendment shall in-*
19 *clude—*

20 (i) *an explanation of how to request*
21 *that all such statements, and any other doc-*
22 *ument required to be disclosed under title I*
23 *of the Employee Retirement Income Secu-*
24 *rity Act of 1974, be furnished by electronic*
25 *delivery; and*

1 (ii) contact information for the plan
2 sponsor, including a telephone number;

3 (C) the plan may not charge any fee to a
4 participant or beneficiary for the delivery of any
5 paper statements;

6 (D) each paper pension benefit statement
7 shall identify each plan document required to be
8 disclosed and shall include information about
9 how a participant or beneficiary may access
10 each such document;

11 (E) each document required to be disclosed
12 that is furnished by electronic delivery under
13 such a plan shall include an explanation of how
14 to request that all such documents be furnished
15 on paper in written form; and

16 (F) a plan is permitted to furnish a dupli-
17 cate electronic statement in any case in which
18 the plan furnishes a paper pension benefit state-
19 ment.

20 (c) *EFFECTIVE DATE.*—The amendment made by sub-
21 section (a) shall apply with respect to plan years beginning
22 after December 31, 2022.

1 **SEC. 314. SEPARATE APPLICATION OF TOP HEAVY RULES**
2 **TO DEFINED CONTRIBUTION PLANS COV-**
3 **ERING EXCLUDIBLE EMPLOYEES.**

4 (a) *IN GENERAL.*—Section 416(c)(2) of the Internal
5 Revenue Code of 1986 is amended by adding at the end
6 the following:

7 “(C) *SEPARATE APPLICATION TO EMPLOY-*
8 *EES NOT MEETING AGE AND SERVICE REQUIRE-*
9 *MENTS.*—If employees not meeting the age or
10 service requirements of section 410(a)(1) (with-
11 out regard to subparagraph (B) thereof) are cov-
12 ered under a plan of the employer which meets
13 the requirements of subparagraphs (A) and (B)
14 separately with respect to such employees, such
15 employees may be excluded from consideration in
16 determining whether any plan of the employer
17 meets the requirements of subparagraphs (A) and
18 (B).”.

19 (b) *EFFECTIVE DATE.*—The amendment made by sub-
20 section (a) shall apply to plan years beginning after the
21 date of the enactment of this Act.

22 **SEC. 315. REPAYMENT OF QUALIFIED BIRTH OR ADOPTION**
23 **DISTRIBUTION LIMITED TO 3 YEARS.**

24 (a) *IN GENERAL.*—Section 72(t)(2)(H)(v)(I) of the In-
25 ternal Revenue Code of 1986 is amended by striking “may
26 make” and inserting “may, at any time during the 3-year

1 *period beginning on the day after the date on which such*
2 *distribution was received, make”.*

3 (b) *EFFECTIVE DATE.*—*The amendment made by this*
4 *section shall take effect as if included in the enactment of*
5 *section 113 of the Setting Every Community Up for Retirement Enhancement Act of 2019.*

7 **SEC. 316. EMPLOYER MAY RELY ON EMPLOYEE CERTIFYING**
8 **THAT DEEMED HARDSHIP DISTRIBUTION**
9 **CONDITIONS ARE MET.**

10 (a) *CASH OR DEFERRED ARRANGEMENTS.*—*Section*
11 *401(k)(14) of the Internal Revenue Code of 1986 is amended*
12 *by adding at the end the following new subparagraph:*

13 “(C) *EMPLOYEE CERTIFICATION.*—*In deter-*
14 *mining whether a distribution is upon the hard-*
15 *ship of an employee, the administrator of the*
16 *plan may rely on a certification by the employee*
17 *that the distribution is on account of a financial*
18 *need of a type that is deemed in regulations pre-*
19 *scribed by the Secretary to be an immediate and*
20 *heavy financial need and that such distribution*
21 *is not in excess of the amount required to satisfy*
22 *such financial need.”.*

23 (b) *403(b) PLANS.*—

1 (1) *CUSTODIAL ACCOUNTS.*—Section 403(b)(7) of
2 such Code is amended by adding at the end the fol-
3 lowing new subparagraph:

4 “(D) *EMPLOYEE CERTIFICATION.*—In deter-
5 mining whether a distribution is upon the finan-
6 cial hardship of an employee, the administrator
7 of the plan may rely on a certification by the
8 employee that the distribution is on account of
9 a financial need of a type that is deemed in reg-
10 ulations prescribed by the Secretary to be an im-
11 mediate and heavy financial need and that such
12 distribution is not in excess of the amount re-
13 quired to satisfy such financial need.”.

14 (2) *ANNUITY CONTRACTS.*—Section 403(b)(11) of
15 such Code is amended by adding at the end the fol-
16 lowing: “In determining whether a distribution is
17 upon hardship of an employee, the administrator of
18 the plan may rely on a certification by the employee
19 that the distribution is on account of a financial need
20 of a type that is deemed in regulations prescribed by
21 the Secretary to be an immediate and heavy financial
22 need and that such distribution is not in excess of the
23 amount required to satisfy such financial need.”.

24 (c) *457(b) PLAN.*—Section 457(d) of such Code is
25 amended by adding at the end the following new paragraph:

1 “(ii) *LIMITATION.*—*The aggregate*
2 *amount which may be treated as an eligible*
3 *distribution to a domestic abuse victim by*
4 *any individual shall not exceed an amount*
5 *equal to the lesser of—*

6 “(I) \$10,000, or

7 “(II) 50 percent of the present
8 *value of the nonforfeitable accrued ben-*
9 *efit of the employee under the plan.*

10 “(iii) *ELIGIBLE DISTRIBUTION TO A*
11 *DOMESTIC ABUSE VICTIM.*—*For purposes of*
12 *this subparagraph—*

13 “(I) *IN GENERAL.*—*A distribution*
14 *shall be treated as an eligible distribu-*
15 *tion to a domestic abuse victim if such*
16 *distribution is from an applicable eli-*
17 *gible retirement plan to an individual*
18 *and made during the 1-year period be-*
19 *ginning on any date on which the in-*
20 *dividual is a victim of domestic abuse*
21 *by a spouse or domestic partner.*

22 “(II) *DOMESTIC ABUSE.*—*The*
23 *term ‘domestic abuse’ means physical,*
24 *psychological, sexual, emotional, or*
25 *economic abuse, including efforts to*

1 control, isolate, humiliate, or intimi-
2 date the victim, or to undermine the
3 victim's ability to reason independ-
4 ently, including by means of abuse of
5 the victim's child or another family
6 member living in the household.

7 “(iv) *TREATMENT OF PLAN DISTRIBUTI-*
8 *TIONS.*—

9 “(I) *IN GENERAL.*—If a distribu-
10 tion to an individual would (without
11 regard to clause (ii)) be an eligible dis-
12 tribution to a domestic abuse victim ,
13 a plan shall not be treated as failing
14 to meet any requirement of this title
15 merely because the plan treats the dis-
16 tribution as an eligible distribution to
17 a domestic abuse victim, unless the ag-
18 gregate amount of such distributions
19 from all plans maintained by the em-
20 ployer (and any member of any con-
21 trolled group which includes the em-
22 ployer) to such individual exceeds the
23 limitation under clause (ii).

24 “(II) *CONTROLLED GROUP.*—For
25 purposes of subclause (I), the term

1 ‘controlled group’ means any group
2 treated as a single employer under sub-
3 section (b), (c), (m), or (o) of section
4 414.

5 “(v) AMOUNT DISTRIBUTED MAY BE
6 REPAID.—

7 “(I) IN GENERAL.—Any indi-
8 vidual who receives a distribution de-
9 scribed in clause (i) may, at any time
10 during the 3-year period beginning on
11 the day after the date on which such
12 distribution was received, make one or
13 more contributions in an aggregate
14 amount not to exceed the amount of
15 such distribution to an applicable eli-
16 gible retirement plan of which such in-
17 dividual is a beneficiary and to which
18 a rollover contribution of such dis-
19 tribution could be made under section
20 402(c), 403(a)(4), 403(b)(8), 408(d)(3),
21 or 457(e)(16), as the case may be.

22 “(II) LIMITATION ON CONTRIBU-
23 TIONS TO APPLICABLE ELIGIBLE RE-
24 TIREMENT PLANS OTHER THAN
25 IRAs.—The aggregate amount of con-

1 *tributions made by an individual*
2 *under subclause (I) to any applicable*
3 *eligible retirement plan which is not*
4 *an individual retirement plan shall*
5 *not exceed the aggregate amount of eli-*
6 *gible distributions to a domestic abuse*
7 *victim which are made from such plan*
8 *to such individual. Subclause (I) shall*
9 *not apply to contributions to any ap-*
10 *licable eligible retirement plan which*
11 *is not an individual retirement plan*
12 *unless the individual is eligible to*
13 *make contributions (other than those*
14 *described in subclause (I)) to such ap-*
15 *licable eligible retirement plan.*

16 “(III) *TREATMENT OF REPAY-*
17 *MENTS OF DISTRIBUTIONS FROM AP-*
18 *PLICABLE ELIGIBLE RETIREMENT*
19 *PLANS OTHER THAN IRAS.—If a con-*
20 *tribution is made under subclause (I)*
21 *with respect to an eligible distribution*
22 *to a domestic abuse victim from an ap-*
23 *licable eligible retirement plan other*
24 *than an individual retirement plan,*
25 *then the taxpayer shall, to the extent of*

1 *the amount of the contribution, be*
2 *treated as having received such dis-*
3 *tribution in an eligible rollover dis-*
4 *tribution (as defined in section*
5 *402(c)(4)) and as having transferred*
6 *the amount to the applicable eligible*
7 *retirement plan in a direct trustee to*
8 *trustee transfer within 60 days of the*
9 *distribution.*

10 “(IV) *TREATMENT OF REPAY-*
11 *MENTS FOR DISTRIBUTIONS FROM*
12 *IRAS.—If a contribution is made under*
13 *subclause (I) with respect to an eligible*
14 *distribution to a domestic abuse victim*
15 *from an individual retirement plan,*
16 *then, to the extent of the amount of the*
17 *contribution, such distribution shall be*
18 *treated as a distribution described in*
19 *section 408(d)(3) and as having been*
20 *transferred to the applicable eligible re-*
21 *tirement plan in a direct trustee to*
22 *trustee transfer within 60 days of the*
23 *distribution.*

1 “(vi) *DEFINITION AND SPECIAL*
2 *RULES.—For purposes of this subpara-*
3 *graph:*

4 “(I) *APPLICABLE ELIGIBLE RE-*
5 *TIREMENT PLAN.—The term ‘applica-*
6 *ble eligible retirement plan’ means an*
7 *eligible retirement plan (as defined in*
8 *section 402(c)(8)(B)) other than a de-*
9 *defined benefit plan.*

10 “(II) *EXEMPTION OF DISTRIBU-*
11 *TIONS FROM TRUSTEE TO TRUSTEE*
12 *TRANSFER AND WITHHOLDING*
13 *RULES.—For purposes of sections*
14 *401(a)(31), 402(f), and 3405, an eligi-*
15 *ble distribution to a domestic abuse*
16 *victim shall not be treated as an eligi-*
17 *ble rollover distribution.*

18 “(III) *DISTRIBUTIONS TREATED*
19 *AS MEETING PLAN DISTRIBUTION RE-*
20 *QUIREMENTS; SELF-CERTIFICATION.—*
21 *Any distribution which the employee*
22 *or participant certifies as being an eli-*
23 *gible distribution to a domestic abuse*
24 *victim shall be treated as meeting the*
25 *requirements of sections*

1 401(k)(2)(B)(i), 403(b)(7)(A)(i),
2 403(b)(11), and 457(d)(1)(A).”.

3 (b) *EFFECTIVE DATE.*—*The amendments made by this*
4 *section shall apply to distributions made after the date of*
5 *the enactment of this Act.*

6 **SEC. 318. REFORM OF FAMILY ATTRIBUTION RULE.**

7 (a) *IN GENERAL.*—*Section 414 of the Internal Revenue*
8 *Code of 1986 is amended—*

9 (1) *in subsection (b)—*

10 (A) *by striking “For purposes of” and in-*
11 *serting the following:*

12 “*(1) IN GENERAL.—For purposes of*, and

13 (B) *by adding at the end the following new*
14 *paragraphs:*

15 “*(2) SPECIAL RULES FOR APPLYING FAMILY AT-*
16 *TRIBUTION.—For purposes of applying the attribu-*
17 *tion rules under section 1563 with respect to para-*
18 *graph (1), the following rules apply:*

19 “*(A) Community property laws shall be dis-*
20 *regarded for purposes of determining ownership.*

21 “*(B) Except as provided by the Secretary,*
22 *stock of an individual not attributed under sec-*
23 *tion 1563(e)(5) to such individual’s spouse shall*
24 *not be attributed to such spouse by reason of sec-*
25 *tion 1563(e)(6)(A).*

1 “(C) Except as provided by the Secretary,
2 in the case of stock in different corporations that
3 is attributed to a child under section
4 1563(e)(6)(A) from each parent, and is not at-
5 tributed to such parents as spouses under section
6 1563(e)(5), such attribution to the child shall not
7 by itself result in such corporations being mem-
8 bers of the same controlled group.

9 “(3) PLAN SHALL NOT FAIL TO BE TREATED AS
10 SATISFYING THIS SECTION.—If application of para-
11 graph (2) causes two or more entities to be a con-
12 trolled group, or an affiliated service group, or to no
13 longer be in a controlled group or an affiliated service
14 group, such change shall be treated as a transaction
15 to which section 410(b)(6)(C) applies.”, and

16 (2) in subsection (m)(6)(B), by striking “apply”
17 and inserting “apply, except that community prop-
18 erty laws shall be disregarded for purposes of deter-
19 mining ownership”.

20 (b) EFFECTIVE DATE.—The amendments made by this
21 section shall apply to plan years beginning on or after the
22 date of the enactment of this section.

1 **SEC. 319. AMENDMENTS TO INCREASE BENEFIT ACCRUALS**
2 **UNDER PLAN FOR PREVIOUS PLAN YEAR AL-**
3 **LOWED UNTIL EMPLOYER TAX RETURN DUE**
4 **DATE.**

5 (a) *IN GENERAL.*—Section 401(b) of the Internal Rev-
6 enue Code of 1986 is amended by adding at the end the
7 following new paragraph:

8 “(3) *RETROACTIVE PLAN AMENDMENTS THAT IN-*
9 *CREASE BENEFIT ACCRUALS.*—If—

10 “(A) *an employer amends a stock bonus,*
11 *pension, profit-sharing, or annuity plan to in-*
12 *crease benefits accrued under the plan effective*
13 *for the preceding plan year (other than increas-*
14 *ing the amount of matching contributions (as de-*
15 *finied in subsection (m)(4)(A)),*

16 “(B) *such amendment would not otherwise*
17 *cause the plan to fail to meet any of the require-*
18 *ments of this subchapter, and*

19 “(C) *such amendment is adopted before the*
20 *time prescribed by law for filing the return of*
21 *the employer for a taxable year (including exten-*
22 *sions thereof) during which such amendment is*
23 *effective,*

24 *the employer may elect to treat such amendment as*
25 *having been adopted as of the last day of the plan*
26 *year in which the amendment is effective.”.*

1 (b) *EFFECTIVE DATE.*—*The amendments made by this*
2 *section shall apply to plan years beginning after December*
3 *31, 2022.*

4 **SEC. 320. RETROACTIVE FIRST YEAR ELECTIVE DEFERRALS**
5 **FOR SOLE PROPRIETORS.**

6 (a) *IN GENERAL.*—*Section 401(b)(2) of the Internal*
7 *Revenue Code of 1986 is amended by adding at the end*
8 *the following: “In the case of an individual who owns the*
9 *entire interest in an unincorporated trade or business, and*
10 *who is the only employee of such trade or business, any*
11 *elective deferrals (as defined in section 402(g)(3)) under a*
12 *qualified cash or deferred arrangement to which the pre-*
13 *ceding sentence applies, which are made by such individual*
14 *before the time for filing the return of such individual for*
15 *the taxable year (determined without regard to any exten-*
16 *sions) ending after or with the end of the plan’s first year,*
17 *shall be treated as having been made before the end of such*
18 *first plan year.”.*

19 (b) *EFFECTIVE DATE.*—*The amendment made by this*
20 *section shall apply to plan years beginning after the date*
21 *of the enactment of this Act.*

1 **SEC. 321. LIMITING CESSATION OF IRA TREATMENT TO**
2 **PORTION OF ACCOUNT INVOLVED IN A PRO-**
3 **HIBITED TRANSACTION.**

4 (a) *IN GENERAL.*—Section 408(e)(2)(A) of the Internal
5 Revenue Code of 1986 is amended by striking “such account
6 ceases to be an individual retirement account” and insert-
7 ing the following: “the portion of such account which is used
8 in such transaction shall be treated as distributed to the
9 individual”.

10 (b) *CONFORMING AMENDMENTS.*—

11 (1) Section 408(e)(2)(B) of such Code is amend-
12 ed—

13 (A) by striking “ALL ITS ASSETS.—In any
14 case” and all that follows through “by reason of
15 subparagraph (A)” and inserting the following:
16 “PORTION OF ASSETS USED IN PROHIBITED
17 TRANSACTION.—In any case in which a portion
18 of an individual retirement account is treated as
19 distributed under subparagraph (A)”, and

20 (B) by striking “all assets in the account”
21 and inserting “such portion”.

22 (2) Section 4975(e)(3) of such Code is amended
23 by striking “the account ceases” and all that follows
24 and inserting the following: “the portion of the ac-
25 count used in the transaction is treated as distributed
26 under paragraph (2)(A) or (4) of section 408(e).”.

1 (c) *EFFECTIVE DATE.*—*The amendments made by this*
2 *section shall apply to taxable years beginning after the date*
3 *of the enactment of this Act.*

4 **TITLE IV—TECHNICAL**
5 **AMENDMENTS**

6 **SEC. 401. AMENDMENTS RELATING TO SETTING EVERY**
7 **COMMUNITY UP FOR RETIREMENT ENHANCE-**
8 **MENT ACT OF 2019.**

9 (a) *TECHNICAL AMENDMENTS.*—

10 (1) *AMENDMENT RELATING TO SECTION 114.*—
11 *Section 401(a)(9)(C)(iii) of the Internal Revenue*
12 *Code of 1986 is amended by striking “employee to*
13 *whom clause (i)(II) applies” and inserting “employee*
14 *(other than an employee to whom clause (i)(II) does*
15 *not apply by reason of clause (ii))”.*

16 (2) *AMENDMENT RELATING TO SECTION 116.*—
17 *Section 4973(b) of the Internal Revenue Code of 1986*
18 *is amended by adding at the end of the flush matter*
19 *the following: “Such term shall not include any des-*
20 *ignated nondeductible contribution (as defined in sub-*
21 *paragraph (C) of section 408(o)(2)) which does not*
22 *exceed the nondeductible limit under subparagraph*
23 *(B) thereof by reason of an election under section*
24 *408(o)(5).”.*

1 (3) *EFFECTIVE DATE.*—*The amendments made*
 2 *by this section shall take effect as if included in sec-*
 3 *tion of the Setting Every Community Up for Retirement*
 4 *Enhancement Act of 2019 to which the amend-*
 5 *ment relates.*

6 (b) *CLERICAL AMENDMENT.*—*Section*
 7 *72(t)(2)(H)(vi)(IV) of the Internal Revenue Code of 1986*
 8 *is amended by striking “403(b)(7)(A)(ii)” and inserting “*
 9 *403(b)(7)(A)(i)”.*

10 ***TITLE V—ADMINISTRATIVE***
 11 ***PROVISIONS***

12 ***SEC. 501. PROVISIONS RELATING TO PLAN AMENDMENTS.***

13 (a) *IN GENERAL.*—*If this section applies to any retire-*
 14 *ment plan or contract amendment—*

15 (1) *such retirement plan or contract shall be*
 16 *treated as being operated in accordance with the*
 17 *terms of the plan during the period described in sub-*
 18 *section (b)(2)(A); and*

19 (2) *except as provided by the Secretary of the*
 20 *Treasury (or the Secretary’s delegate), such retirement*
 21 *plan shall not fail to meet the requirements of section*
 22 *411(d)(6) of the Internal Revenue Code of 1986 and*
 23 *section 204(g) of the Employee Retirement Income Se-*
 24 *curity Act of 1974 by reason of such amendment.*

25 (b) *AMENDMENTS TO WHICH SECTION APPLIES.*—

1 (1) *IN GENERAL.*—*This section shall apply to*
2 *any amendment to any retirement plan or annuity*
3 *contract which is made—*

4 (A) *pursuant to any amendment made by*
5 *this Act or pursuant to any regulation issued by*
6 *the Secretary of the Treasury or the Secretary of*
7 *Labor (or a delegate of either such Secretary)*
8 *under this Act; and*

9 (B) *on or before the last day of the first*
10 *plan year beginning on or after January 1,*
11 *2023, or such later date as the Secretary of the*
12 *Treasury may prescribe.*

13 *In the case of a governmental plan (as defined in sec-*
14 *tion 414(d) of the Internal Revenue Code of 1986),*
15 *this paragraph shall be applied by substituting*
16 *“2025” for “2023”.*

17 (2) *CONDITIONS.*—*This section shall not apply to*
18 *any amendment unless—*

19 (A) *during the period—*

20 (i) *beginning on the date the legislative*
21 *or regulatory amendment described in para-*
22 *graph (1)(A) takes effect (or in the case of*
23 *a plan or contract amendment not required*
24 *by such legislative or regulatory amend-*

1 *ment, the effective date specified by the*
2 *plan); and*

3 *(ii) ending on the date described in*
4 *paragraph (1)(B) (as modified by the sec-*
5 *ond sentence of paragraph (1)) (or, if ear-*
6 *lier, the date the plan or contract amend-*
7 *ment is adopted),*

8 *the plan or contract is operated as if such plan*
9 *or contract amendment were in effect; and*

10 *(B) such plan or contract amendment ap-*
11 *plies retroactively for such period.*

12 *(c) COORDINATION WITH OTHER PROVISIONS RELAT-*
13 *ING TO PLAN AMENDMENTS.—*

14 *(1) SECURE ACT.—Section 601(b)(1) of the Set-*
15 *ting Every Community Up for Retirement Enhance-*
16 *ment Act of 2019 is amended—*

17 *(A) by striking “January 1, 2022” in sub-*
18 *paragraph (B) and inserting “January 1,*
19 *2023”, and*

20 *(B) by striking “substituting ‘2024’ for*
21 *‘2022.’” in the flush matter at the end and in-*
22 *serting “substituting ‘2025’ for ‘2023.’”.*

23 *(2) CARES ACT.—*

24 *(A) SPECIAL RULES FOR USE OF RETIRE-*
25 *MENT FUNDS.—Section 2202(c)(2)(A) of the*

1 CARES Act is amended by striking “January 1,
2 2022” in clause (ii) and inserting “January 1,
3 2023”.

4 (B) TEMPORARY WAIVER OF REQUIRED MIN-
5 IMUM DISTRIBUTIONS RULES FOR CERTAIN RE-
6 TIREMENT PLANS AND ACCOUNTS.—Section
7 2203(c)(2)(B)(i) of the CARES Act is amend-
8 ed—

9 (i) by striking “January 1, 2022” in
10 subclause (II) and inserting “January 1,
11 2023”, and

12 (ii) by striking “substituting ‘2024’ for
13 ‘2022’.” in the flush matter at the end and
14 inserting “substituting ‘2025’ for ‘2023’.”.

15 (C) TAXPAYER CERTAINTY AND DISASTER
16 TAX RELIEF ACT OF 2020.—Section 302(d)(2)(A)
17 of the Taxpayer Certainty and Disaster Tax Re-
18 lief Act of 2020 is amended by striking “Janu-
19 ary 1, 2022” in clause (ii) and inserting “Janu-
20 ary 1, 2023”.

21 **TITLE VI—REVENUE**

22 **PROVISIONS**

23 **SEC. 601. SIMPLE AND SEP ROTH IRAS.**

24 (a) IN GENERAL.—Section 408A of the Internal Rev-
25 enue Code of 1986 is amended by striking subsection (f).

1 **(b) RULES RELATING TO SIMPLIFIED EMPLOYEE PEN-**
2 **SIONS.—**

3 **(1) CONTRIBUTIONS.—***Section 402(h)(1) of such*
4 *Code is amended by striking “and” at the end of sub-*
5 *paragraph (A), by striking the period at the end of*
6 *subparagraph (B) and inserting “, and”, and by add-*
7 *ing at the end the following new subparagraph:*

8 *“(C) in the case of any contributions pursu-*
9 *ant to a simplified employer pension which are*
10 *made to an individual retirement plan des-*
11 *ignated as a Roth IRA, such contribution shall*
12 *not be excludable from gross income.”.*

13 **(2) DISTRIBUTIONS.—***Section 402(h)(3) of such*
14 *Code is amended by inserting “, or section 408A(d)*
15 *in the case of an individual retirement plan des-*
16 *ignated as a Roth IRA” before the period at the end.*

17 **(3) ELECTION REQUIRED.—***Section 408(k) of*
18 *such Code is amended by redesignating paragraphs*
19 *(7), (8), and (9) as paragraphs (8), (9), and (10), re-*
20 *spectively, and by inserting the after paragraph (6)*
21 *the following new paragraph:*

22 *“(7) ROTH CONTRIBUTION ELECTION.—An indi-*
23 *vidual retirement plan which is designated as a Roth*
24 *IRA shall not be treated as a simplified employee*
25 *pension under this subsection unless the employee*

1 *elects for such plan to be so treated (at such time and*
2 *in such manner as the Secretary may provide).”.*

3 *(c) RULES RELATING TO SIMPLE RETIREMENT AC-*
4 *COUNTS.—*

5 *(1) ELECTION REQUIRED.—Section 408(p) of*
6 *such Code is amended by adding at the end the fol-*
7 *lowing new paragraph:*

8 *“(11) ROTH CONTRIBUTION ELECTION.—An in-*
9 *dividual retirement plan which is designated as a*
10 *Roth IRA shall not be treated as a simple retirement*
11 *account under this subsection unless the employee*
12 *elects for such plan to be so treated (at such time and*
13 *in such manner as the Secretary may provide).”.*

14 *(2) ROLLOVERS.—Section 408A(e) of such Code*
15 *is amended by adding at the end the following new*
16 *paragraph:*

17 *“(3) SIMPLE RETIREMENT ACCOUNTS.—In the*
18 *case of any payment or distribution out of a simple*
19 *retirement account (as defined in section 408(p)) with*
20 *respect to which an election has been made under sec-*
21 *tion 408(p)(11) and to which 72(t)(6) applies, the*
22 *term ‘qualified rollover contribution’ shall not include*
23 *any payment or distribution paid into an account*
24 *other than another simple retirement account (as so*
25 *defined).”.*

1 (d) *COORDINATION WITH ROTH CONTRIBUTION LIM-*
2 *TATION.*—Section 408A(c) of such Code is amended by add-
3 *ing at the end the following new paragraph:*

4 “(7) *COORDINATION WITH LIMITATION FOR SIM-*
5 *PLE RETIREMENT PLANS AND SEPS.*—*In the case of*
6 *an individual on whose behalf contributions are made*
7 *to a simple retirement account or a simplified em-*
8 *ployee pension, the amount described in paragraph*
9 *(2)(A) shall be increased by an amount equal to the*
10 *contributions made on the individual’s behalf to such*
11 *account or pension for the taxable year, but only to*
12 *the extent such contributions—*

13 “(A) *in the case of a simplified retirement*
14 *account—*

15 “(i) *do not exceed the sum of the dollar*
16 *amount in effect for the taxable year under*
17 *section 408(p)(2)(A)(ii) and the employer*
18 *contribution required under subparagraph*
19 *(A)(iii) or (B)(i), as the case may be, of sec-*
20 *tion 408(p)(2), and*

21 “(ii) *do not cause the elective deferrals*
22 *(as defined in section 402(g)(3)) on behalf*
23 *of such individual to exceed the limitation*
24 *under section 402(g)(1) (taking into account*

1 “(i) Contributions made pursuant to a
2 salary reduction agreement (within the
3 meaning of section 3121(a)(5)(D)).

4 “(ii) Qualified nonelective contribu-
5 tions (as defined in section 401(m)(4)(C)).

6 “(iii) Qualified matching contributions
7 described in section 401(k)(3)(D)(ii)(I).

8 “(iv) Earnings on any contributions
9 described in clause (i), (ii), or (iii).

10 “(B) NO REQUIREMENT TO TAKE AVAIL-
11 ABLE LOAN.—A distribution shall not be treated
12 as failing to be made upon the hardship of an
13 employee solely because the employee does not
14 take any available loan under the plan.”.

15 (b) CONFORMING AMENDMENTS.—

16 (1) Section 403(b)(7)(A)(i)(V) of such Code is
17 amended by striking “in the case of contributions
18 made pursuant to a salary reduction agreement
19 (within the meaning of section 3121(a)(5)(D))” and
20 inserting “subject to the provisions of paragraph
21 (16)”.

22 (2) Paragraph (11) of section 403(b) of such
23 Code, as amended by the preceding provisions of this
24 Act, is amended—

1 (A) by striking “in” in subparagraph (B)
2 and inserting “subject to the provisions of para-
3 graph (16), in”, and

4 (B) by striking the penultimate sentence.

5 (c) *EFFECTIVE DATE.*—The amendments made by this
6 section shall apply to plan years beginning after December
7 31, 2021.

8 **SEC. 603. ELECTIVE DEFERRALS GENERALLY LIMITED TO**
9 **REGULAR CONTRIBUTION LIMIT.**

10 (a) *APPLICABLE EMPLOYER PLANS.*—Section
11 414(v)(1) of the Internal Revenue Code of 1986 is amended
12 by adding at the end the following: “Except in the case of
13 an applicable employer plan described in paragraph
14 (6)(iv), the preceding sentence shall only apply if contribu-
15 tions are designated Roth contributions (as defined in sec-
16 tion 402A(c)(1)).”.

17 (b) *CONFORMING AMENDMENTS.*—

18 (1) Section 402(g)(1) of such Code is amended by
19 striking subparagraph (C).

20 (2) Section 457(e)(18)(A)(ii) of such Code is
21 amended by inserting “the lesser of any designated
22 Roth contributions made by the participant to the
23 plan or” before “the applicable dollar amount”.

1 (c) *EFFECTIVE DATE.*—*The amendments made by this*
2 *section shall apply to taxable years beginning after Decem-*
3 *ber 31, 2021.*

4 **SEC. 604. OPTIONAL TREATMENT OF EMPLOYER MATCHING**
5 **CONTRIBUTIONS AS ROTH CONTRIBUTIONS.**

6 (a) *IN GENERAL.*—*Section 402A(a) of the Internal*
7 *Revenue Code of 1986 is amended by redesignating para-*
8 *graph (2) as paragraph (3), by striking “and” at the end*
9 *of paragraph (1), and by inserting after paragraph (1) the*
10 *following new paragraph:*

11 “(2) *any designated Roth contribution which is*
12 *made by the employer to the program on the employ-*
13 *ee’s behalf, and on account of the employee’s contribu-*
14 *tion or elective deferral, shall be treated as a match-*
15 *ing contribution for purposes of this chapter, except*
16 *that such contribution shall not be excludable from*
17 *gross income, and”.*

18 (b) *MATCHING INCLUDED IN QUALIFIED ROTH CON-*
19 *TRIBUTION PROGRAM.*—*Section 402A(b)(1) of such Code is*
20 *amended—*

21 (1) *by inserting “, or to have made on the em-*
22 *ployee’s behalf,” after “elect to make”, and*

23 (2) *by inserting “, or of matching contributions*
24 *which may otherwise be made on the employee’s be-*
25 *half,” after “otherwise eligible to make”.*

1 (c) *DESIGNATED ROTH MATCHING CONTRIBUTIONS.*—
2 Section 402A(c)(1) of such Code is amended by inserting
3 “or matching contribution” after “elective deferral”.

4 (d) *MATCHING CONTRIBUTION DEFINED.*—Section
5 402A(e) of such Code is amended by adding at the end the
6 following:

7 “(3) *MATCHING CONTRIBUTION.*—The term
8 ‘matching contribution’ means—

9 “(A) any matching contribution described
10 in section 401(m)(4)(A), and

11 “(B) any contribution to an eligible de-
12 ferred compensation plan (as defined in section
13 457(b)) by an eligible employer described in sec-
14 tion 457(e)(1)(A) on behalf of an employee and
15 on account of such employee’s elective deferral
16 under such plan.”.

17 (e) *EFFECTIVE DATE.*—The amendments made by this
18 section shall apply to contributions made after the date of
19 the enactment of this Act.

Union Calendar No. 210

117TH CONGRESS
2^D SESSION

H. R. 2954

[Report No. 117-283, Part I]

A BILL

To increase retirement savings, simplify and clarify retirement plan rules, and for other purposes.

MARCH 29, 2022

Reported from the Committee on Ways and Means with
an amendment

MARCH 29, 2022

Committees on Financial Services and Education and
Labor discharged; committed to the Committee of the
Whole House on the State of the Union and ordered
to be printed